

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

April 13, 2016 – 7:00 p.m.

BOARD OF DIRECTORS

Pam Tobin	President
Ken Miller	Vice President
Ted Costa	Director
Dan Rich	Director
Bob Walters	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Shauna Lorance	General Manager
Donna Silva	Director of Finance
Teri Grant	Board Secretary/Administrative Assistant
Joshua Horowitz	Legal Counsel

OTHER ATTENDEES

Sandy Harris	Customer
Dave Underwood	Fair Oaks Water District
Tony Barela	SJWD
Rob Watson	SJWD
Kevin Thomas	SSWD

AGENDA ITEMS

- I. Public Forum**
- II. Consent Calendar**
- III. Old Business**
- IV. Committee Reports**
- V. Information and Action Items**
- VI. Upcoming Events**
- VII. Adjourn**

President Tobin called the meeting to order at 7:00 p.m.

I. PUBLIC FORUM

There were no public comments.

II. CONSENT CALENDAR

All items under the consent calendar are considered to be routine and are approved by one motion. There will be no separate discussion of these items unless a member of the Board, audience, or staff request a specific item removed after the motion to approve the Consent Calendar.

1. Minutes of the Board of Directors Meetings

Approval of San Juan Water District's Board of Director's meeting minutes as follows:

1. Minutes of the Board of Directors Workshop #3, March 15, 2016
2. Minutes of the Board of Directors Meeting, March 23, 2016

Director Walters moved to approve the Consent Calendar. Director Rich seconded the motion and it carried unanimously.

III. OLD BUSINESS

1. Los Lagos Water Storage Tank Repainting Project

Ms. Lorance introduced Tony Barela, Operations Manager. Mr. Barela conducted a brief presentation. A copy of the presentation will be attached to the meeting minutes.

Mr. Barela informed the Board that the Los Lagos Water Storage Tank holds 1.65 million gallons of water and is located in the Los Lagos Estates. The District leases the tank from Placer County Water Agency for \$1 per year and, in exchange, is responsible for all maintenance and rehabilitation work.

Mr. Barela informed the Board that the storage tank is 31 years old and needs rehabilitation which includes re-painting the interior and exterior, as well as welding appurtenances for safety and sampling. He explained that this project will take approximately three months to complete and is anticipated to create some noise issues. He informed the Board that all necessary precautions will be taken to reduce the sound level as well as to control dust in order to be in compliance with NPDES requirements.

Mr. Barela reported that notices of the project and tonight's meeting were hand-delivered to residences in the immediate area of the storage tank and the home owners' association. Mr. Barela commented that there is a 30-day comment period that commences once the CEQA Notice of Exemption (NOE) is filed. Ms. Lorance explained that normally the CEQA NOE is filed with the county without Board review and approval; however, staff decided to post the CEQA NOE on the agenda so that the public could address the Board with any comments or questions. Director Miller suggested that staff mail out a letter to any residences where gated entrances required staff leave the notice on their gate. Ms. Sandy Harris commented that if there is a comment period then residences within 300 feet of the project will be sent a notice from the county.

In response to Director Miller's comment, Mr. Barela explained that, even though the tank will be shut down for 90 days, the storage tank provides a redundant water supply. Mr. Barela explained that the pump stations will be running full-time during the 90-day period as compared to being operated in a cycling sequence. Ms. Lorance commented that the District would not want to run that way all the time.

Director Costa suggested that staff try to extend the contract another 15-20 years prior to beginning the project. Ms. Lorance commented that staff will definitely work with PCWA to extend the contract.

President Tobin moved to direct staff to file the CEQA NOE with Placer County for the Los Lagos Water Storage Tank Repainting Project. Director Walters seconded the motion and it carried unanimously.

2. 2016 Groundwater Substitution Transfer

Mr. Horowitz informed the Board that when discussions with the Board initially started regarding groundwater substitution transfers, water conditions were significantly different and his recommendation was that the District could adopt a CEQA Notice of Exemption (NOE) for the project under an emergency exemption. However, with the current water supplies and greater allocations for M&I use, he believes that it would be very problematic to claim an emergency exemption and that it would probably require a CEQA Negative Declaration or possibly a Mitigated Declaration. He explained that this will take more time and expense.

Mr. Horowitz informed the Board that there is a high likelihood that a transfer would not go forward since there is extremely constrained pumping capacity at the Delta pumps. When the allocations were increased for M&I and Agriculture, for both the state and federal sides, it impacts the ability to transfer water. He explained that the federal transfer buyers have already pulled out and stopped all work on water transfers. In addition, the District has been informed that Santa Clara Valley Water District (SCVWD) is concerned about being able to move any transfer water. Furthermore, he has heard that state water contractors have voiced similar concerns.

Mr. Horowitz commented that he wanted to be sure that the Board understood the current condition for water transfers and discuss whether or not to spend \$15,000 or more to prepare a CEQA Negative Declaration. Ms. Lorance commented that SCVWD will know more on April 20th regarding the pumping capacity.

In response to President Tobin's question, Mr. Horowitz explained that for a one year transfer it would probably be difficult to re-cycle a CEQA document that was processed this year for a transfer next year. Mr. Horowitz informed the Board that the buyers are working hard to get the transfer window extended into the fall and there are discussions to transfer early as well.

Ms. Lorance informed the Board that Fair Oaks Water District and Citrus Heights Water District will continue to prepare their groundwater wells for a transfer in case a transfer is possible this year or a future year. In addition, she reported that she is still working on conserved water transfers and looking at long-term water transfers for water that the District is not using.

In response to Director Costa's comment, Mr. Horowitz explained that the pumping capacity is subject to several limiting factors such as the two biological opinions that govern pumping and the Coordinated Operations Agreement. In addition, Mr. Horowitz informed the Board that the District should continue working on the technical issues involved with a transfer, how to transfer conserved water, and working with CHWD and FOWD on getting the wells set up for a transfer, so that the District is ready when a transfer is allowed to occur.

Mr. Horowitz informed that Board that normally in June the District would know whether or not a water transfer could occur in October/November which should be enough time provided the CHWD and FOWD wells are already certified.

In response to Director Walters, Ms. Lorance informed the Board that a conserved water transfer will not go through this year. She explained that the agencies are still proceeding with the technical aspects for a conserved water transfer and ACWA is still pushing for conserved water transfers. However, the buyers are only interested in groundwater substitution transfers this year since they provide the benefit of being able to be turned on or off depending on the ability to transfer water.

Mr. Horowitz suggested that the Board wait until April 20th to hear back from SCVWD before making a decision to move forward. Director Walters inquired on the conserved water transfer legislative language and if it should be sent to ACWA for inclusion in their water transfer efforts. Mr. Horowitz requested that the topic of legislative language for conserved water transfers be on the April 27th Board agenda for discussion.

In response to Director Miller's question, Ms. Lorance will provide the Board with a presentation regarding water transfers so that there is an understanding of the process and current status. In addition, the conserved water transfer discussion regarding legislative language will be placed on the next Board agenda.

Mr. Dave Underwood addressed the Board and informed them that the FOWD Board is making the water transfer its top priority.

ACTION AND INFORMATIONAL ITEMS

IV. COMMITTEE REPORTS

1. Public Information Committee (3/18/16)

Director Miller reported that the committee met on March 18, 2016, and discussed the following:

- Update on Drought Information (W and R)
- Telephone Townhall (R)

- 2015 Consumer Confidence Report (W)
- Wholesale Mailer (W)
- WaterSmart Mailer (R)
- Other Public Information Matters
- Public Comment

The committee meeting minutes will be attached to the original board minutes.

Update on Drought Information (W and R)

Ms. Lorance informed the Board that this was discussed at the last Board meeting.

Telephone Townhall (R)

Ms. Lorance informed the Board that approximately 1,600 customers joined the telephone townhall on March 14th and there were many good questions.

For information, no action requested.

2015 Consumer Confidence Report (W)

Ms. Lorance reported that the 2015 Consumer Confidence Report is being developed. She informed the Board that the front page article is being developed. In addition, she mentioned that the report is distributed to the wholesale service area residences via email, which saves the District a substantial amount of money. Ms. Lorance commented that the report does not reflect any water quality issues and is coordinated with CHWD and FOWD to include information on their groundwater well data.

For information, no action requested.

Wholesale Mailer (W)

Ms. Lorance reported that the wholesale mailer is being worked on, and the mailer and the budget will be discussed at the next Public Information Committee meeting.

For information, no action requested.

WaterSmart Mailer (R)

Ms. Lorance informed the Board that Ms. Brown provided an update on the responses from the WaterSmart survey. She commented that the committee discussed the survey results and the value of WaterSmart and agreed that the program should continue.

For information, no action requested.

Other Public Information Matters

Ms. Lorance reported that the committee discussed dealing with customers who are upset about drought issues and customers who are aggressive. There was a suggestion at the committee meeting that the District consider

recording calls and placing an announcement at the beginning of the call that informs the customer that the call may be monitored or recorded. Ms. Lorance informed the Board that staff is looking into this and will report back to the committee. Mr. Horowitz informed the Board that if there are customers who are habitually harassing staff, then the District has the right to inform them that they are not allowed to have verbal interaction with District staff and that all communications will be required in writing.

Ms. Lorance informed that Board that Crocker & Crocker developed new branding for the District. The suggested new branding includes the words, "On Your Side. Always." under the SJWD logo instead of "Since 1854." The Board discussed the suggested branding and there was a distinct dislike of the recommended slogan. The Board would like Crocker & Crocker to explain why new branding is needed and what is causing Crocker & Crocker to recommend that the District consider changing the branding. Ms. Harris commented that this is the only agency that customers receive water from, so why are we competing with anyone and trying to come up with a different brand.

President Tobin informed the Board that the Personnel Committee will be discussing the idea of a Public Information Officer. Director Costa commented that the District might consider sharing a Public Information Officer with another water agency.

For information, no action requested.

2. Water Supply & Reliability Committee (4/6/16)

Director Walters reported that the committee met on April 6, 2016, and discussed the following:

- Water Management and Reliability Study Update (W)
- Groundwater Reimbursement Status (W)
- Strategy and Options to Address Various Conservation Requirement Scenarios This Year (R)
- Other Matters
- Public Comment

The committee meeting minutes will be attached to the original board minutes.

Water Management and Reliability Study Update (W)

Director Walters reported that the committee received an update from the MWH consultants regarding the Water Management and Reliability Study. He commented that they presented a very thorough process for prioritizing the options. Director Rich commented that the process is very organized and transparent with a graphical methodology that categorized the options.

Director Walters commented that upstream storage was discussed and Mr. Durkin will be contacting Kevin Knauss regarding reservoir sites that Mr.

Knauss had mentioned in past conversations. Director Costa commented that he would like MWH to look more into upstream storage.

For information only; no action requested.

Groundwater Reimbursement Update (W)

Director Walters reported that there was a meeting with the City of Folsom (Folsom) and Orange Vale Water Company (OVWC) to discuss the groundwater reimbursement issue. He explained that there was discussion regarding payment of the proposed invoice cost for groundwater pumping in 2014 by Fair Oaks Water District (FOWD) and Citrus Heights Water District (CHWD). Director Walters explained that reimbursements for 2009 through 2013 costs are being discussed.

Ms. Lorance informed the Board that she met Tuesday with FOWD and CHWD to discuss the issue. She requested to review the 2009-2013 background information for the invoices that were presented for that time period. It was decided that FOWD and CHWD will pull the information together for Ms. Lorance to review. In addition, she reported that both OVWC and Folsom are fine with 2014 charges being paid. Ms. Lorance will take the information back to the next Water Supply & Reliability Committee meeting.

Director Walters suggested that the last paragraph of the committee meeting minutes be revised to state:

Mr. Durkin informed the committee that he expects a meeting with FOWD and CHWD to occur next week and an update on the entire matter will be provided at the April 13th Board meeting. The committee members stated jointly that they would like to have a proposed resolution of this matter presented at the April 27th Board meeting.

The Board Secretary will make the edits to the committee meeting minutes as requested. Ms. Lorance will provide the Board with the proposed resolution at the April 27th Board meeting.

Director Walters commented that there was a question regarding payment by San Juan and forgiveness of payment from other agencies and inquired if it would be considered a gift of public funds or setting precedence. Ms. Lorance commented that the full amount of the charges would be paid by SJWD Wholesale and then the retail agencies would be billed. Mr. Horowitz commented that there should be an agreement between all the parties. Director Rich suggested that if the agencies are close to resolving this then it would be better to come back to the Board for action for both the 2014 charges and the 2009-2013 charges. Mr. Horowitz commented that Director Walters' comment regarding a gift of public funds could be applied to paying for charges which are past the statute of limitations.

For information only; no action requested.

3. Finance Committee (4/12/16)

Director Costa reported that the committee met on April 12, 2016, and discussed the following:

- Review and Pay Bills (W & R)
- Approval for Purchase of Operating Materials – Anthracite
- Orangevale Avenue Bridge Replacement Project
- Update on Status of Audit Fiscal Year 2014-2015
- Update on Status of Fiscal Year 2015-2016 Mid-Year Budget Review
- Fitch - Downgrade of Bond Rating
- Other Finance Matters
- Public Comment

The committee meeting minutes will be attached to the original board minutes.

Review and Pay Bills (W & R)

Director Costa reported that the committee reviewed bills and claims in the amount of \$1,092,096.84 and found them to be in order.

Director Costa moved to approve Resolution 16-04. President Tobin seconded the motion and it carried unanimously.

Approval for Purchase of Operating Materials – Anthracite

Ms. Silva informed the Board that the treatment plant needs to order 1,640 CF of Anthracite for use as a filter media. She explained that the purchasing ordinance requires the purchase of goods above \$15,000 to be approved by the Board. The CSD law requires purchase of materials in excess of \$15,000 to be publically bid. The lowest responsive bid was from Carbon Sales at \$16,373.20.

Staff Update: Upon subsequent review of District ordinances and CSD law the stated information was deemed incorrect. District ordinances require purchases of materials and supplies in excess of \$15,000 be both publicly bid and approved by the Board. CSD law only requires public bidding for purchases of materials and supplies for the construction of completion of any building, structure, or improvements in excess of \$25,000.

Director Costa moved to authorize staff to purchase 1,640 C.F. of Anthracite from Carbon Sales in the amount of \$16,373.20, with a total budget of \$18,000 which includes a 10% contingency. President Tobin seconded the motion and it carried unanimously.

Orangevale Avenue Bridge Replacement Project

Mr. Rob Watson informed the Board that the District has an opportunity to work with the City of Folsom to fund a casing for a future pipeline. He explained that the City of Folsom is rebuilding the Orangevale Avenue Bridge and SJWD Engineering has been working with the City of Folsom to integrate provisions into the re-construction of the bridge deck for the installation of a future water main to be incorporated.

President Tobin moved to participate jointly with the City of Folsom to fund the incorporation of a casing pipe for a future water main to be installed under the new deck of the Orangevale Avenue Bridge when the bridge restoration project is under construction. SJWD's portion of the cost for the installation of the casing will be \$40,400 with a total project budget of \$45,000 which includes a 10% contingency. Director Costa seconded the motion and it carried unanimously.

Update on Status of Audit Fiscal Year 2014-2015

Ms. Silva informed the Board that the process to begin the FY 2016-17 budget requires that Fiscal Year 2014-15 be closed and the mid-year budget review be completed. She explained that this will confirm the exact amount in the reserves, which is needed to for the new budget. She informed the Board that the accounting department is behind about two weeks from the anticipated completion date, as they are working on the fixed assets breakdown between wholesale and retail. In addition, she explained that staff has completed the accounting for FY 2014-15 and are waiting on the auditors, who are also behind schedule, to provide the draft financial statements. The delay may cause the budget timeline to be pushed out about one month.

Ms. Silva reported that the accounting department is caught up on all checking account reconciliations through March and all transactions are recorded and current. The Department has put processes and systems in place to ensure that they stay current with transaction recording and reconciliations. She explained that the only remaining area to get back on a normal timeline is developer account billings. She anticipates a timely year end close and audit for FY 2015-16, as well as a timely budget process for FY 2017-2018.

Ms. Silva explained that the FY 2014-15 audit is behind, the FY2015-16 mid-year budget review from an operating budget perspective is complete, and the CIP budget review is almost complete. She informed the Board that she is working towards presentation of the CAFR and next quarterly finance update at the May 11th Board meeting, along with the Reserve balances ending FY 2014-15 and the mid-year budget review.

Director Costa reminded the Board that they requested more from the auditors this year such as commenting on the procedures that were used during the conversion to the Tyler accounting system, and he expects the auditors to present that type of information to the Board.

For information only; no action requested.

Update on Status of Fiscal Year 2015-2016 Mid-Year Budget Review

Ms. Silva informed the Board that she anticipates providing a mid-year budget review at the May 11th Board meeting.

For information only; no action requested.

Fitch - Downgrade of Bond Rating

Ms. Silva informed the Board that the District's bond rating was reviewed by Standard & Poors last fall and the District's rating was held at AA+. Fitch Ratings contacted the District recently to perform their review and the District's bond rating was downgraded from AA+ to AA. She informed the Board that the rating was downgraded due to several reasons such as weakened financial performance over the past three fiscal years due to a sharp decline in water sales and increased expenses related to the drought, some degree of habitual conservation will keep usage lower, and management turnover in the finance department.

Ms. Silva pointed out that there were some positive remarks in the report such as a strong debt profile (they identified that the District has significantly less debt than the average water agency). She explained that the downgrade was a warning sign to the District that the operating margin needs to be looked at. She explained that the downgrade will not have a significant impact on the District's interest rate should the District need to borrow money. However, if the rating was downgraded to an A category then the District's interest rate would be significantly affected.

In response to Director Rich's question, Ms. Lorance and Mr. Horowitz have heard that there are other agencies where this has happened. In response to Director Miller's question, Mr. Horowitz explained that generally an agency does not request a rating review since there is a charge to that service, unless the agency is going out for debt.

In response to Director Costa's comment, Ms. Lorance informed the committee that discussion of the District's unfunded PERS liability and how the District has been funding the OPEB liability will be discussed at an upcoming workshop/meeting.

For information only; no action requested.

V. INFORMATION AND ACTION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 Water Supply Update

Ms. Lorance reported that this area is not in a drought emergency, although other areas in the state may still be experiencing lingering impacts from the drought. She commented that the water being released from Folsom is flowing out to the ocean since it cannot be pumped down south at this time.

For information, no action requested

1.2 Groundwater Pumping Reimbursement Discussions

This item was reported on under *Committee Reports*.

1.3 SWRCB Potential Permanent Conservation Regulations

Ms. Lorance reported that there is a meeting on April 20th for the State Water Resources Control Board (SWRCB) to discuss reasons why they might reduce some of the area's conservation short-term requirements. She explained that comments have been submitted and SWRCB is well aware of the region's concerns. She or another District representative will attend the meeting and report back to the Board.

Ms. Lorance informed the Board that the long-term conservation requirements were initially going to be added as a trailer bill through the legislature; however, that is not going to occur. She explained that ACWA is working on a policy for long-term conservation requirements and water use efficiency. She commented that the Department of Water Resources should be the agency to work on long-term conservation. She will be meeting with Tim Quinn to get an update and will report back.

Mr. Horowitz informed the Board that the current draft of the policy is being driven by staff and ACWA's response does not represent the membership's opinion as it volunteers agencies to comply with mandatory requirements that are of no benefit to the District. He suggests that ACWA propose a bill that covers conservation as a local interest to be handled locally. Ms. Lorance mentioned that the Board packet contained an ACWA Outreach Alert regarding this topic.

For information, no action requested

1.4 Report Back Item

There were no items discussed.

1.5 Miscellaneous District Issues and Correspondence

1.5.1 CSDA Board of Directors Call for Nominations Seat B

Ms. Lorance reported that the CSDA Board of Directors is calling for nominations for Seat B.

1.5.2 Placer County Board of Supervisors' Resolution Concerning Drought Emergency Conservation Regulations from the State Water Resources Control Board

Ms. Lorance reported that the Placer County Board of Supervisors will be considering a resolution requesting the SWRCB to rescind water conservation regulations for Placer County. A copy of the memorandum will be attached to the meeting minutes.

1.5.3 Other

Ms. Lorance informed the Board that she received emails while she was on vacation regarding the Board's decision to reduce the conservation stage. Copies of the emails were provided in the Board packet which included two negative positions on the Board's

decision. In addition, she provided several positive comments that were not included in the Board packet.

2. DIRECTOR OF FINANCE'S REPORT

2.1 Report Back Items

There were no items discussed.

2.2 Miscellaneous District Issues and Correspondence

There were no items discussed.

3. LEGAL COUNSEL'S REPORT

3.1. Legal Matters

Mr. Horowitz reported that the SWRCB has made it very clear that no action will be taken at the workshop on April 20th and any actions will be taken in May. In addition, he has been working with Ms. Lorange on a joint comment letter which requests that the SWRCB either substantially reduce the conservation requirements or remove them altogether.

Mr. Horowitz informed the Board that one problem with ACWA's proposal on the long-term conservation is that it violates four of their policy principals that came out as a result of the 2009 water legislation. He explained that the proposal would: 1) take away local control; 2) impact ability to develop resource locally; 3) would not allow a voluntary incentive base process; and 4) local management would be taken away. He informed the Board that he will be monitoring legislation regarding this topic.

In response to Director Costa's comment regarding an email he received from staff on the Compensation Policy, Ms. Lorange confirmed that the Personnel Committee will be reviewing the policy at their meeting on Tuesday.

4. DIRECTORS' REPORTS

4.1 SGA

President Tobin reported that SGA meets April 14, 2016.

4.2 RWA

President Tobin reported that RWA met March 10, 2016. A copy of her written report will be attached to the meeting minutes. She informed the Board that RWA discussed the Budget, the Regional Reliability Plan RFQ, Legislative Update, and the Water Efficiency Program.

4.3 ACWA

4.3.1 Local/Federal Government/Region 4 - Pam Tobin

No report.

4.3.2 JPIA - Bob Walters

No report.

4.3.3 Energy Committee - Ted Costa

Director Costa reported that the Energy Committee met last week but he was unable to attend.

4.4 CVP Water Users Association

Director Costa reported that the CVPWUA meeting April 19, 2016.

4.5 Other Reports and Comments

President Tobin provided the Board with handouts from the Executive Briefing and information on water tours.

VI. UPCOMING EVENTS

1. 2016 ACWA Spring Conference
May 3-6, 2016
Monterey, CA

VII. ADJOURN

The meeting was adjourned at 9:04 p.m.

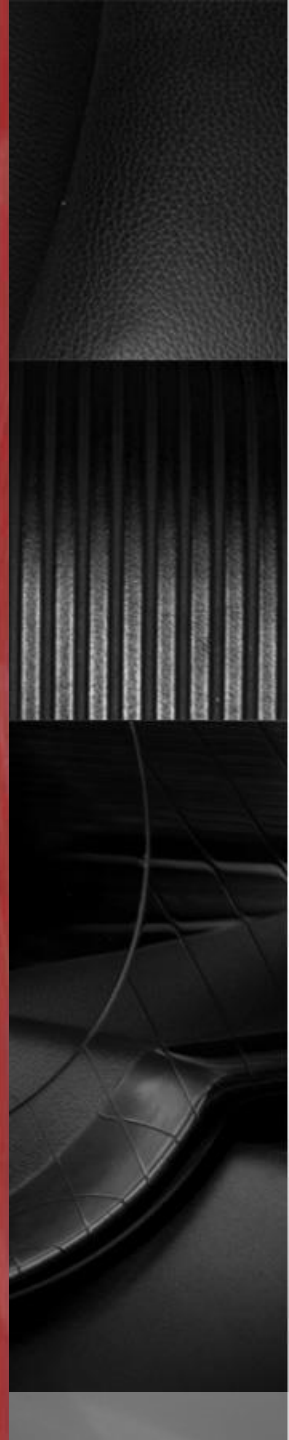
PAMELA TOBIN, President
Board of Directors
San Juan Water District

ATTEST:

TERI GRANT, Board Secretary

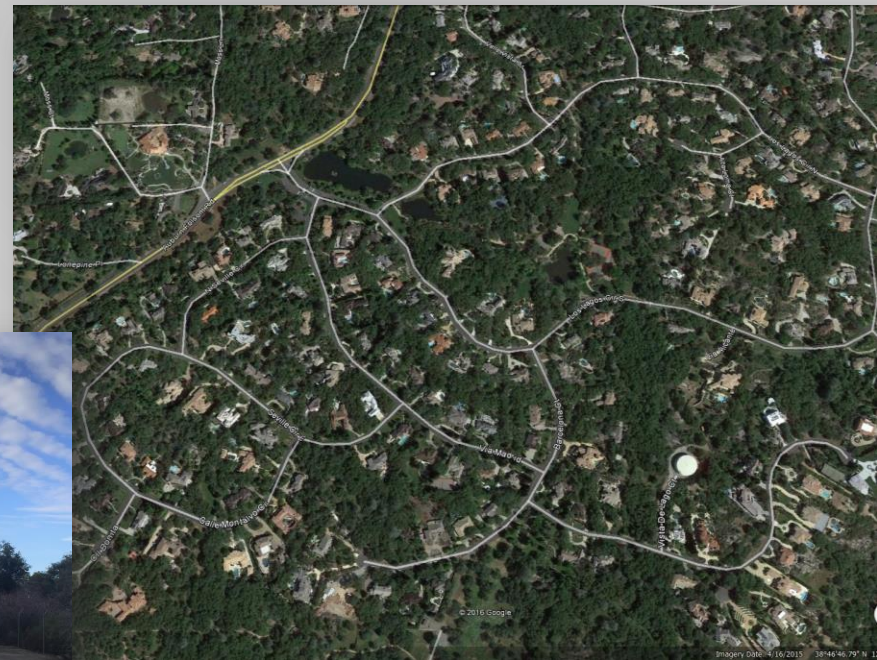
Los Lagos Tank Re-Painting Project

SAN JUAN WATER DISTRICT



Los Lagos Tank - Background

- 1.65 MGal Welded Steel Tank
- Built 1985 (31-years old) in Los Lagos Estates
- Placer County Water Agency 25-year Lease Agreement, June 3, 1997, Agreement
 - \$1.00 Per Year Lease
- District pays for all Maintenance and Rehabilitation Work



Re-Painting Project

- Tank inspected on a yearly basis with Remotely Operated Vehicle (ROV)
- Floor Blisters
- Rust on Exposed Structural Members
- Oxidized and Thinning Exterior Coating



Re-Painting Project

- Estimated 3-Month Project
 - Re-Painting Interior/Exterior
 - Welding Appurtenances (Safety, Water Sampling)
- Project Noise
 - Generators and Air Compressors
 - Maintain Environmental Controls w/in the Tank
 - Sound Blankets
 - Sound Walls Constructed
 - Sand-Blasting Tank Interior
- Dust and Overspray Control
 - Rolled Exterior Coating
 - Pressure Wash Tank Exterior
 - Shield to Prevent Overspray
 - Project to be in Compliance with NPDES Requirements



Los Lagos Residence Notification

- Contacted Los Lagos HOA
 - Posted District letter on Website
- Hand Delivered Notifications/Invites to Tonight's Meeting to Homes Near the Project



Board Action Requested

- Motion to Direct Staff to file the CEQA Notice of Exemption for the project



P.O. Box 2157 | 9935 Auburn Rd

April 6, 2016

To: Los Lagos Estates Reside

From: Tony Barela
Operations Manager
San Juan Water District
9935 Auburn Folsom Rd
Granite Bay, CA 95746

RE: Los Lagos Tank Re-Paint

Dear Resident,

The San Juan Water District has scheduled a meeting on April 13th, 2016, at 10:00 AM, to discuss the 1.7 million gallon Los Lagos Tank Re-Paint project. The tank's remaining life is estimated that during an estimated eight week period, the tank will be washed and environmental controls within the tank exterior. The District is requiring that the important maintenance project's questions or concerns. If you a them to Tony Barela at tbarela@sjwd.com

Respectfully,
Tony Barela, Operations Manager
San Juan Water District

NOTICE OF EXEMPTION

To: _____

Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: **San Juan Water District**
9935 Auburn Folsom Road
Granite Bay, CA 95746

County Clerk
County of Placer
2504 Richardson Drive
Auburn, CA 95603

Project Title: Los Lagos Tank Re-Paint Project

Project Location - Specific: The project is entirely within the San Juan Water District property site located at 9935 Yuba De Lugo Ct, Granite Bay, CA 95746, County of Placer.

Project Location - City: Granite Bay **Project Location - County:** Placer

Description of Project: The 1.7 million gallon Los Lagos Tank stores potable water for San Juan Water District retail service area. The project includes the removal of the existing tank's exterior paint and the application of a new paint system. The project includes the removal of the existing tank's exterior paint and the application of a new paint system. The project includes the removal of the existing tank's exterior paint and the application of a new paint system. The project includes the removal of the existing tank's exterior paint and the application of a new paint system.

Name of Public Agency Approving Project: San Juan Water District

Exempt Status: (check one)
 Ministerial (Sec. 21080(1)(1), 15099)
 Declared Emergency (Sec. 21080(1)(3), 15099(1))
 Emergency Project (Sec. 21080(1)(4), 15099(1)(1))
 Categorical Exemption. State code number: 15301 (b) (4)
 Statutory Exemption. State code number: _____

Reasons why project is exempt: The Project qualifies as categorically exempt from CEQA under Title 14, Chapter 9, Section 15301(b)(4) and (d). The Project involves no preparation of contracts, a listing of entities within the District's jurisdiction, and it can be seen with reasonable certainty that the Project will not have a significant effect on the environment.

Lead Agency: San Juan Water District

Contact Person: Keith Dyer, Assistant General Manager

Filed by applicant:
 1. Attach certified document of exemption finding
 2. Has a Notice of Exemption been filed by the public agency approving the project?
 Yes _____ No _____

Signature: _____ Area Code/Telephone/Extension: (916) 391-9116

Signed by Lead Agency
 Signed by Applicant

Date: _____ Title: _____

Questions??



AGENDA ITEM III-1

NOTICE OF EXEMPTION

To: _____ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: **San Juan Water District**
9935 Auburn-Folsom Road
Granite Bay, CA 95746

County Clerk
County of Placer
2954 Richardson Drive
Auburn, CA 95603

Project Title: Los Lagos Tank Recoating Project

Project Location - Specific: The project is entirely within the San Juan Water District property site located at 8901 Vista De Lago Ct, Granite Bay, CA 95746, County of Placer.

Project Location - City: Granite Bay **Project Location - County:** Placer

Description of Project: The 1.6 million gallon Los Lagos Tank stores potable water for San Juan Water District's retail service area. The project includes surface preparation by sandblasting and/or pressure washing to remove existing paint and then repainting the interior and exterior of the tank. The project includes best management practices such as tenting the tank to control fugitive dust and fumes, and using sound blankets over compressors and equipment to control noise. In addition to recoating the tank, some minor welding will occur for running conduit and increasing safety for access into the tank during periodic inspections.

Name of Public Agency Approving Project: San Juan Water District

Name of Person or Agency Carrying Out Project: San Juan Water District

Exempt Status: (check one)

Ministerial (Sec. 21080(b)(1); 15268);

Declared Emergency (Sec. 21080(b)(3); 15269(a));

Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

Categorical Exemption. State type and section number: **15301 (b); (d)**

Statutory Exemptions. State code number:

Reasons why project is exempt: This Project qualifies as categorically exempt from CEQA under Title 14, Chapter 3, Section 15301(b) and (d). This Project involves no expansion in capacity, is located entirely within existing District property, and it can be seen with reasonable certainty that this Project will not have a significant effect on the environment.

Lead Agency San Juan Water District

Contact Person: Keith Durkin, Assistant General Manager (916) 791-0115

Area Code/Telephone/Extension:

If filed by applicant:

1. Attach certified document of exemption finding.

2. Has a Notice of Exemption been filed by the public agency approving the project?

Yes No

Signature: _____

Date: _____

Title: _____

Signed by Lead Agency
 Signed by Applicant

**Public Information Committee Meeting Minutes
San Juan Water District
March 18, 2016
10:00 a.m.**

Committee Members: Ken Miller (Chair)
Pam Tobin, Member

District Staff & Consultants: Shauna Lorance, General Manager
Lisa Brown, Customer Service Manager
Lucy Eidam Crocker, Crocker and Crocker
Lindsay Pangburn, Crocker and Crocker
Teri Grant, Board Secretary/Administrative Assistant

Topics: Update on Drought Information (W and R)
Telephone Townhall (R)
2015 Consumer Confidence Report (W)
Wholesale Mailer (W)
WaterSmart Mailer (R)
Other Public Information Matters
Public Comment

1. Update on Drought Information (W and R)

Ms. Lorance informed the committee that the District obtained a 20% conservation reduction for February with a cumulative 34% conservation reduction. The committee discussed a press release regarding the District's conservation efforts.

Ms. Lorance reported that Folsom Reservoir, Shasta Lake, Lake Oroville, and the snow pack are all above average for this time of year. Therefore, a recommendation to reduce the conservation stage and remove the drought surcharge will be discussed at the next Board meeting. She explained that the District is currently in a modified Stage 4 conservation and staff will be recommending that the Board consider moving to a Stage 2 with a voluntary 10% conservation request. Ms. Brown requested that if the Board does adopt the reduced conservation request and removes the drought surcharge that it goes into effect on April 1, 2016 so that the change is effective at the beginning of a billing cycle.

The committee discussed the recommendation and asked several questions regarding the conservation level and the state requirement. Ms. Lorance explained that it would be best to reduce the conservation stage and remove the drought surcharge at this time then if the State Board does not reduce the conservation restrictions in April/May the Board can reconsider the conservation stage at that time. In addition, she explained that it is still important to conserve water since part of the state is still in a drought and the District still has to meet the 20% by 2020 conservation requirement. Ms. Lorance informed the committee that the R3 Water

Group (SJWD and the cities of Folsom and Roseville) are providing Felicia Marcus, State Water Resources Control Board Chair, with a proposal on removing or reducing state-wide conservation requirements.

The committee agreed that if the Board adopts the reduced conservation stage and removes the drought surcharge then a press release should be released on March 24th. Crocker and Crocker will prepare a press release and send to the committee early next week for review and edit in order to be ready for release on Thursday.

For information, no action requested.

2. Telephone Townhall (R)

Ms. Lucy Eidam Crocker informed the committee that approximately 1,600 customers joined the telephone townhall on March 14th and there were many good questions.

For information, no action requested.

3. 2015 Consumer Confidence Report (W)

Ms. Brown informed the committee that the 2015 Consumer Confidence Report is being developed. In addition, she informed the committee that the front page is available for an article that the committee should discuss.

For information, no action requested.

4. Wholesale Mailer (W)

The committee discussed an outline for the wholesale mailer. Crocker & Crocker provided the committee with a handout that will be attached to the meeting minutes. The committee would like to see the mailer in a layout format. Crocker & Crocker will bring the mailer back to the committee in April.

For information, no action requested.

5. WaterSmart Mailer (R)

Ms. Brown provided an update on the responses from the WaterSmart survey. She provided the committee with a handout that will be attached to the meeting minutes. The committee discussed the survey results and the value of WaterSmart and agreed that the program should continue. Ms. Eidam Crocker suggested that a press release be created with the survey results. Ms. Brown wanted confirmation from WaterSmart that the survey information could be considered statistically valid. Ms. Brown explained that the current WaterSmart reports showed results of customers compared to their neighbors and that will be removed going forward so that customers are only compared to their own past data.

For information, no action requested.

6. Other Public Information Matters

The committee discussed dealing with customers who are upset about drought issues and customers who are aggressive. Ms. Eidam Crocker suggested that there be staff who are routed the calls in order to address specific types of questions. In addition, she suggested that the District provide more information to customers via eblasts, the WaterGram and the website. Director Miller suggested that the District consider recording calls to customer service and placing an announcement at the beginning of the call that informs the customer that the call may be monitored or recorded. Ms. Lorance will research the current phone system capability for recording calls and will report back to the committee.

Director Miller suggested that the Board agenda be reformatted to have all SJWD Retail items addressed at the beginning of the meeting and all SJWD Wholesale items addressed at the end of the meeting. Ms. Lorance will create a draft agenda to review and discuss. Director Tobin suggested that the Board consider changing the start time of the Board meetings to earlier.

Ms. Eidam Crocker informed the committee that Crocker & Crocker has developed new branding for the District. The new branding will include the words, "On Your Side. Always." under the SJWD logo instead of "Since 1854." In addition, they will start using pictures of actual staff instead of purchased pictures. Crocker & Crocker provided the committee with a handout that will be attached to the meeting minutes.

Director Tobin suggested that a SJWD Open House be considered to show customers the programs that the District offers for conservation. Ms. Brown suggested that the Open House be tied to an existing event such as the May 14th free mulch event.

In response to Director Miller's comment, Ms. Brown informed the committee that the District has received no calls or inquiries regarding the Flint, Michigan water issues.

6.1 Next Meeting Date

The next committee meeting will be scheduled as needed.

7. Public Comment

There was no public comment.

The meeting adjourned at 11:35 am.

San Juan Wholesale
Image Campaign - Mailer
DRAFT – February 29, 2016

Name options:

1. Community Report
2. Annual Report
3. SAN JUAN WATER AT WORK FOR YOU

Size:

8.5" x 11" finished size
Self-mailer

Contents:

- Strong focus on theme, "On Your Side. Always."
- Primary photo of employee with family helping with advice
- Listing of the board of directors on the mailing panel
- Include logo, contact information and encourage e-blast sign ups

- Letter from Shauna
 - Overview of transparency and commitment to customers, water supply reliability and protecting water rights
 - History and future of SJWD – Where we've been, where we are and where we're going

- 2016 Priorities
 - Overviews of plans for staffing/succession planning, financial planning, CIPs/maintenance & communications/customer service

- Water Quality and Supply
 - Advocacy efforts
 - Water efficiency and the future
 - WaterSmart – available tool for customers

Design Theme:

Design theme is focused on photographs of select members of the San Juan team who are committed and dedicated to serving the needs of customers. Photos needed of staff/customers for report and other communications.

- Shauna at the Capitol, meeting with elected officials or at Reclamation
- Field personnel with customers doing a water audit, checking for leaks, checking sprinklers, programming controller
- Staff educating customers at a workshop
- Customer service staff helping a customer at the counter

Customer Outreach Ideas

- Include the Q&A section in another WaterGram and outline the items that customers can find on that page
- Include a “Did you know?” section in each upcoming e-blast and pull information from existing Q&A’s
 - For example, “Did you know that San Juan is audited every year?” In the answer, include who performs the audit, what is audited, etc.
- Develop and send out the wholesale mailer “On Your Side. Always.”
 - Highlight everything San Juan does for water supply, rates, infrastructure, future planning, etc.
- Proactively pitch positive media stories that focus on San Juan’s accomplishments
 - For example, results of the first year of using WaterSmart, feature a customer who overhauled their landscaping using San Juan’s recommendations, recap landscaping events, etc.
- Invite select customers to be involved in the financial planning process (reasonable, balanced, forward-thinking customers)

SJWD Customer Satisfaction Survey

Wednesday, March 16, 2016

High Response Rate

Recipient Group

- 4,255 sent
- 908 responses
- 21% response rate

Control group

- 425 sent
- 97 responses
- 23% response rate



2016 Water Survey

Don't miss your chance to be heard!

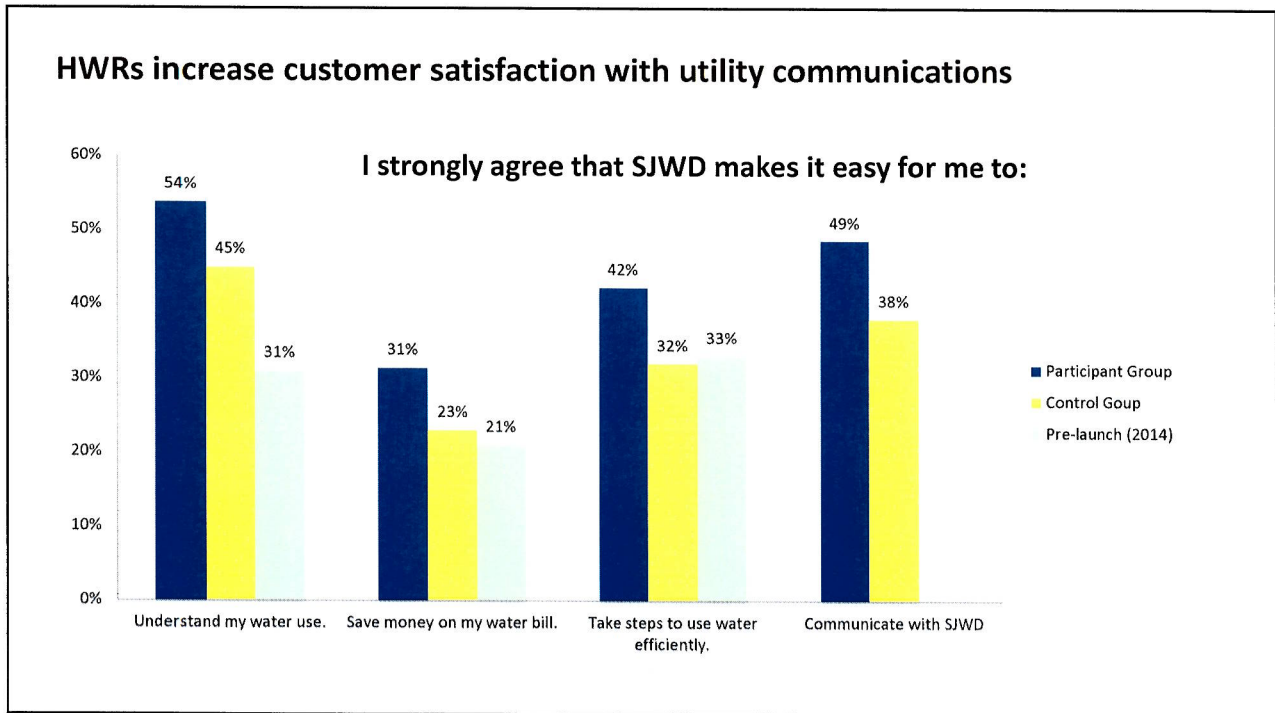
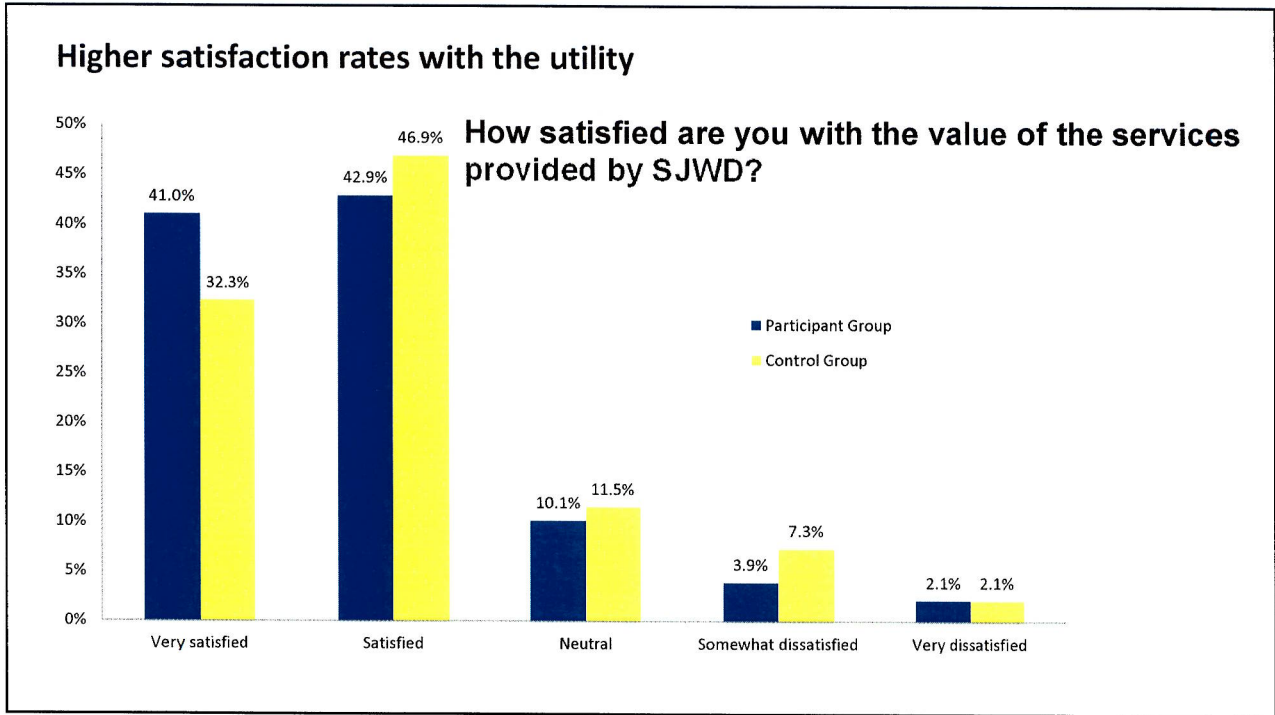
[Take the survey >](#)

Dear Scott & Lynette,

As you may know, you've been part of a group of San Juan Water District customers who have been receiving Home Water Reports. Please help us serve you better by sharing your thoughts about the WaterSmart Home Water Report program. Your feedback will help us refine the program and help you enjoy more value from the reports.

Sincerely,

Shauna Lorraine
General Manager



Participant Questions Only

Customers are looking at their HWRs

Do you recall getting a personalized Home Water Report by mail or e-mail in the past year?

Yes: 90.6%

No: 3.2%

Not Sure: 6.2%

If yes, did you look at these reports?

Yes, most of them: 85.9%

Yes, once or twice: 8.0%

No: 0.9%

Not Sure: 5.2%

HWRs are changing behavior

Did the Home Water Reports prompt you to be more water efficient?

Yes: 80.5%

No: 19.5%

Measure	Response Percent
Reduced outdoor landscape irrigation	86.1%
Took shorter showers	74.1%
Turned off water while brushing teeth or shaving	73.7%
Flushed less frequently	65.2%
Washed only full loads of laundry	62.7%
Installed more efficient irrigation system (e.g. switched some or all of my outdoor	36.5%
Fixed an outdoor leak (e.g. hose, irrigation system)	35.4%
Collected greywater (e.g. water from showers,	34.6%
Upgraded to more efficient indoor fixtures (e.g. captured rainwater for irrigation or other uses	30.9%
Used dishwasher more often	26.0%
Fixed an indoor leak (e.g. sink, toilet, shower, water heater)	18.9%
Installed hot water recirculation pump	18.6%
Installed a weather-based irrigation controller	17.0%
Installed artificial turf	13.5%
	7.7%
	2.5%

HWRs are valuable

88% of respondents find the HWRs valuable (2% do not, 10% are not sure)

What aspects of the Home Water Report do you find most valuable or interesting?

Answer Options	Response Percent
Information about how many gallons of water I use per day.	80.9%
The comparison of my water use to that of similar households.	77.6%
The Home Water Report itself as a reminder to be aware of my water use.	57.2%
My personalized recommendations on how to save water.	21.3%
The companion website {watersmart portal URL} that lets me learn more about my use and select water-saving actions.	13.5%



WaterSmart Program
123 Main Street
Anytown, USA

WATER REPORT FOR 456 WASHINGTON ST

THIS IS AN INFORMATIONAL REPORT AND NOT A BILL.
ACCOUNT NUMBER: 123873124-01

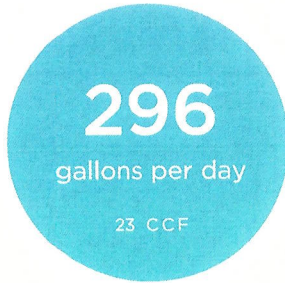


GO PAPERLESS. SEE ALL INFO & PRODUCTS AT:
demo.watersmart.com

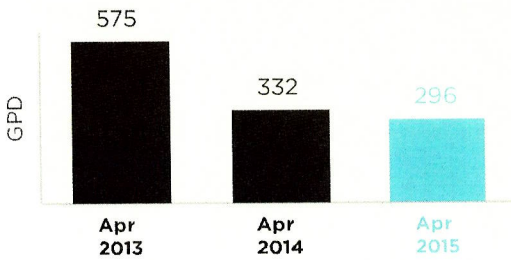
415.555.5555 info@citywater.com

Your Water Use

APR 9 TO JUN 5, 2016

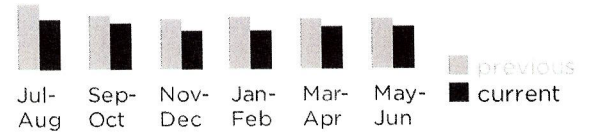


Compare Your Past Use
for this billing period



Your use compared to last year

You are using **20% less** water than you did in the previous twelve-month period.



Get leak alerts by email

Not all leaks are easily visible. Protect your property by signing up for alerts. Log on and we'll email you when we spot irregular water use.

demo.watersmart.com

Water-saving recommendations

Selected based on your property characteristics and historical water use.

[Log on to track your progress](#)

Potential annual savings if you:

Upgrade to a low-flow toilet	Replace old aerators	Think before you flush
19 GALLONS PER DAY \$71 DOLLARS PER YEAR REBATE OFFERED	14 GALLONS PER DAY \$66 DOLLARS PER YEAR	7 GALLONS PER DAY \$26 DOLLARS PER YEAR

Log On

Track your water use at macro and micro levels, and access:

- Seasonal trends
- Downloadable history
- Efficient products for purchase

demo.watersmart.com

Account: 123873124-01
Zip Code: 99999

A **free** service offered by your water utility and powered by WaterSmart Software®

**San Juan Water District
2016 Branding & Positioning Recommendations
DRAFT – February 29, 2016**

San Juan Water District Priorities

San Juan Water District has identified the following priorities for the coming year:

- Staffing/succession planning
- CIPs/maintenance
- Financial planning
- Communications/customer service

Branding and Positioning

Objective:

San Juan Water District should continue to enhance its image as a customer-service driven organization focused on customer service, transparency and a high quality water supply. The volatility in the water industry driven by the drought, mandatory conservation requirements, increasing rates and public scrutiny can result in misperceptions, concerns and questions. Continued communication and a focus on the district's efforts not typically seen by the public will help San Juan connect better with customers and the community.

Approach:

Develop a brand around **"On Your Side. Always."** This includes finding ways to highlight the customer-centric activities currently in place at San Juan and looking for new opportunities to showcase customer service and involvement. The "On Your Side. Always." brand takes into consideration San Juan's history of customer service and vision for the future.

It encompasses the financial planning process and high quality water to protecting water rights and San Juan's water conservation programs. The brand is more than words. It includes photos and photo illustrations of San Juan management and staff to put a personal, human face to San Juan Water District.

Recommendations:

- Incorporate new tagline, "On Your Side. Always." into Wholesale and Retail logos
 - Use new logos in easy-to-change applications such as website, social media pages and electronic communications.
- Develop Wholesale Customer Mailer
 - Content will focus on what San Juan does for its customers and feature staff photos to personalize the district.

➤ Enhance Website

- Includes replacing logos with new tagline and changing slider image with photos of staff and new tagline.

➤ Promote “On Your Side. Always.”

- WaterGram
- E-blasts
- Social media
- Advertisements
- Flyers
- Q&A’s
- Report covers
- PowerPoint presentations
- Signage
- Banners

Water Supply & Reliability Committee Meeting Minutes
San Juan Water District
April 6, 2016
3:00 p.m.

- Committee Members:** Bob Walters, Chair
Dan Rich, Director
- District Staff:** Keith Durkin, Assistant General Manager
Teri Grant, Board Secretary/Administrative Assistant
- Consultants:** Vanessa Nishikawa, P.E. (MWH)
Ibrahim Khadam, P.E. (MWH)
Joshua Biggs (MWH)
Rebecca Guo (MWH)
Richard Shatz (GEI)
- Members of the Public:** Craig Davis, Orange Vale Water Company
John Wingerter, Orange Vale Water Company
Ted Costa, San Juan Water District
Tony Barela, San Juan Water District
- Topics:** Water Management and Reliability Study Update (W)
Groundwater Reimbursement Status (W)
Other Matters
Public Comment

1. Water Management and Reliability Study Update (W)

Mr. Durkin introduced the MWH consultants and the GEI consultant. He informed the committee that MWH is close to completing technical memorandum 4 (TM4) for staff to review and comment on regarding the Water Management and Reliability Study. He explained that MWH will be providing a presentation on the evaluation and screening process they developed to scale down the 27 options identified for analysis in the study. The requested action from the meeting is to confirm the list of initial options is complete and receive the committee's validation of the screening process and the methodology that MWH is using for the study

Mr. Durkin explained that the committee was provided with a working draft of some of the work products that will be included in TM4 and he requested that the committee not distribute the packet to avoid confusion when updates are provided. He informed the committee that staff will be meeting with MWH next week or so to finalize TM4 and it will be provided to Directors for discussion at the April 27th Board meeting. MWH will provide a presentation to the full Board in May. In response to Director Rich's question, Mr. Durkin informed the committee that MWH has met with the wholesale customer agencies (WCAs) as a group and will be meeting with them two more times over the course of the study. A joint board meeting will also be scheduled.

Mr. Ibrahim Khadam conducted a presentation on the Water Management and Reliability Study. A copy of the presentation will be attached to the meeting minutes. He reviewed the study objectives, and the evaluation and screening process. In addition, he reviewed the three strategies used to develop the water management options, showing how each option fits into one of the strategies.

In response to Director Rich's question, Mr. Khadam explained that one option was added by the WCAs, which was Option 18 to purchase Orange Vale Water Company's water supply wells. Mr. Durkin explained that the WCAs also recommended looking at Policy F, which was developed in concept in 2002. Policy F contemplated SJWD-W purchasing or acquiring groundwater wells to use in conjunction with surface water, so that SJWD-W owns and manages all water in the wholesale service area. The committee suggested that an option be added to the list similar to Option 18 but to cover all WCA wells. In addition, they requested that Mr. Durkin contact Kevin Knauss regarding reservoir sites that he had mentioned in past conversations. The committee agreed with the list of options.

Mr. Khadam reviewed the four evaluation criteria and metric areas. He explained that each option will be placed on a Project Evaluation Summary sheet and given a qualitative and quantitative evaluation based on the existing information. The information from those sheets will then be placed in a High-Level Project Evaluation Summary Comparison and each option will be weighted. Mr. Khadam reviewed a draft evaluation sheet and the summary comparison with the committee. The committee agreed that the methodology and criteria for evaluating the options is appropriate.

Mr. Khadam reviewed the preliminary trade-off analysis which places each option on graphs to visually show where each option falls in comparison to each other based on Contribution to Objectives, Implementation Complexity, and/or Cost Effectiveness. The committee discussed the comparisons.

Mr. Khadam explained how the options were placed into three groups – A, for high potential (consistently high scores); B, for moderate potential (mixed scores); and C, for low potential (consistently low scores). He also showed the committee the initial rankings for the options and informed the committee that there is still more work to finish.

Mr. Durkin informed the committee that MWH will continue the technical work and will have TM4 (high-level evaluation and screening of options) updated by April 20th which will be distributed to the Board and WCAs. Staff will provide a brief update at the April 27th Board meeting and will be requesting Board comments by May 4th so that MWH can provide another update to the Board at the May 11th Board meeting. Mr. Durkin informed the committee that MWH will consult with SJWD's legal counsel on some of the options.

For information only; no action requested.

2. Groundwater Reimbursement Update (W)

Mr. Durkin reported that a meeting with the City of Folsom (Folsom) and Orange Vale Water Company (OVWC) was held to discuss the groundwater reimbursement issue. He explained that the general consensus at the staff and GM level was that SJWD should pay the proposed invoice cost for groundwater pumping in 2014 by Fair Oaks Water District (FOWD) and Citrus Heights Water District (CHWD). Payments for the 2014 charges are being confirmed at Board/City Manager level for Folsom and OVWC.

Mr. Durkin explained that discussions on reimbursement for 2009 through 2013 costs are ongoing. He stated that OVWC Board and Folsom management have serious concerns with how costs were arrived at for 2009-2013. They believe the cost categories and amount of expenses should be reviewed and evaluated by SJWD prior to a determination being made. They do not agree that they should pay the proposed costs before a complete evaluation is performed. Mr. Durkin explained that Mr. Mitch Dion, who completed the analysis a year ago, was tasked with looking at the methodology and cost allocations, not at the specific costs FOWD and CHWD included in the proposed invoices.

Mr. Durkin informed the committee that FOWD and CHWD have expressed their willingness to review the compilation spreadsheets and backup with the agencies. OVWC and Folsom believe SJWD should take the lead on this effort; therefore, SJWD staff will coordinate the review with CHWD and FOWD and communication with OVWC and Folsom. Mr. Durkin mentioned that FOWD and CHWD informed him that they would be willing to write off the charges to OVWC and Folsom and just collect the amount due from SJWD. Mr. Durkin informed them that this could set a precedent which he could not recommend to the SJWD Board.

Mr. Craig Davis voiced concern that invoices were submitted six years after the fact and that OVWC would have immediately questioned the invoice had it been generated in 2010 for 2009 pumping.

Mr. Durkin informed the committee that he expects a meeting with FOWD and CHWD to occur next week and an update on the entire matter will be provided at the April 13th Board meeting. The committee members stated jointly that they would like to have a proposed resolution of this matter presented at the April 27th Board meeting.

For information only; no action requested.

3. Other Matters

3.1 Next Meeting Date

The next committee meeting will be scheduled in May.

4. Public Comment

There were no public comments.

The meeting adjourned at 5:05 pm.



April 6, 2016

Status Report and Summary Wholesale Water Management and Reliability Study

Water Supply and Reliability Committee Meeting



MWH[®]

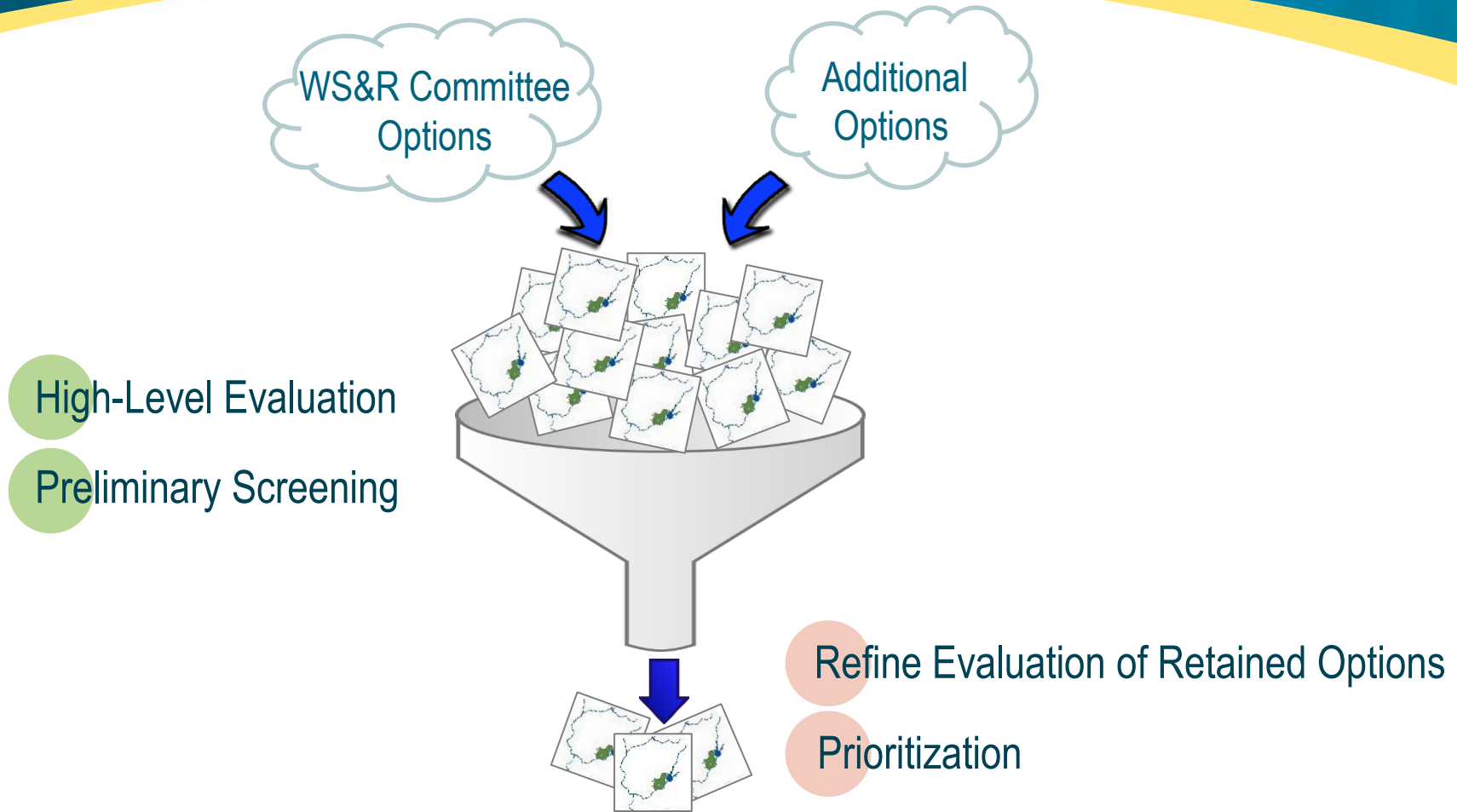
BUILDING A BETTER WORLD

Meeting Agenda

1. Review and Confirm Complete List of Initial Options
2. Discuss Preliminary Evaluation of Initial Options and Validate Screening Process
3. Next Steps



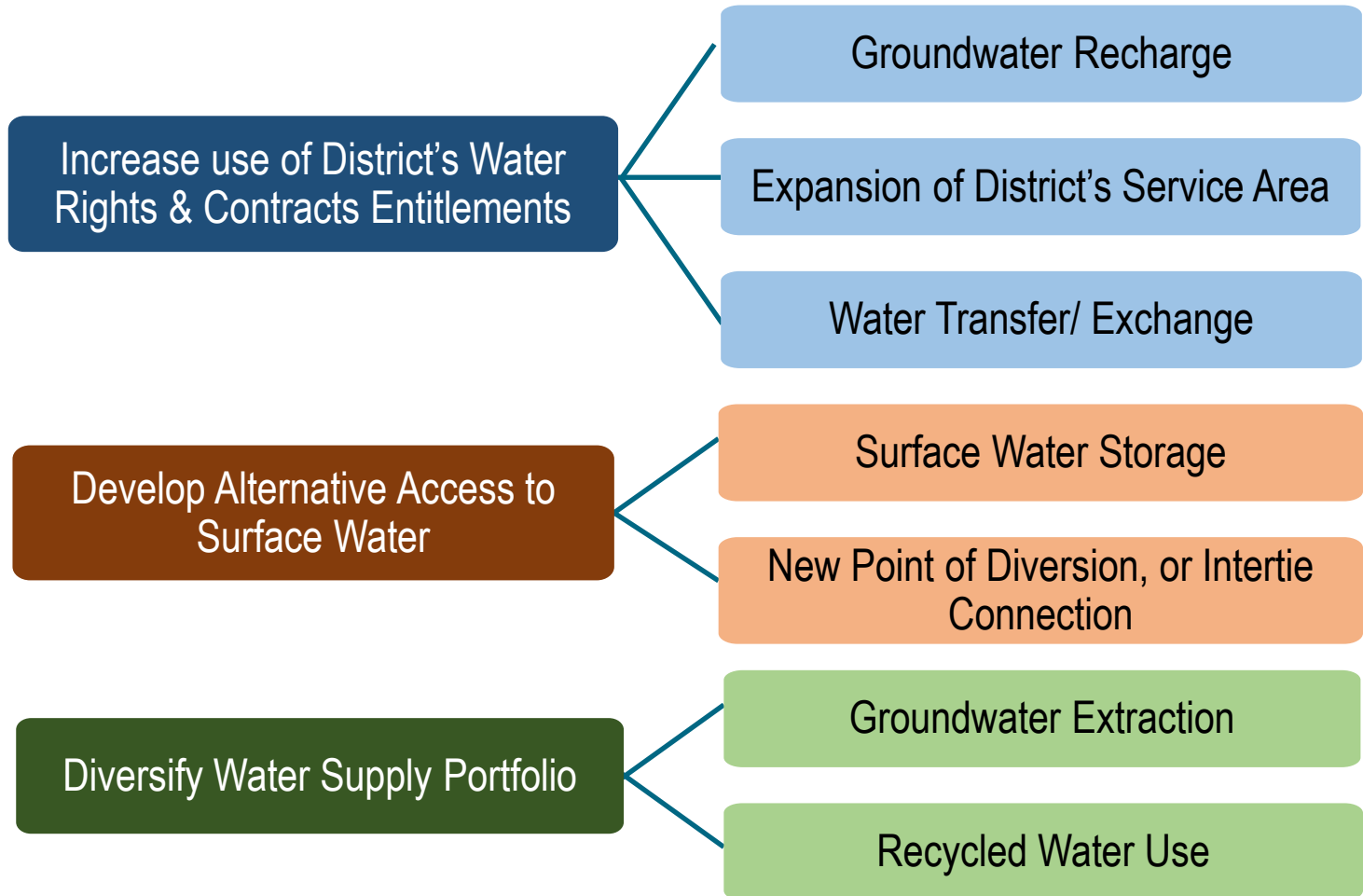
Two-Step Evaluation and Screening



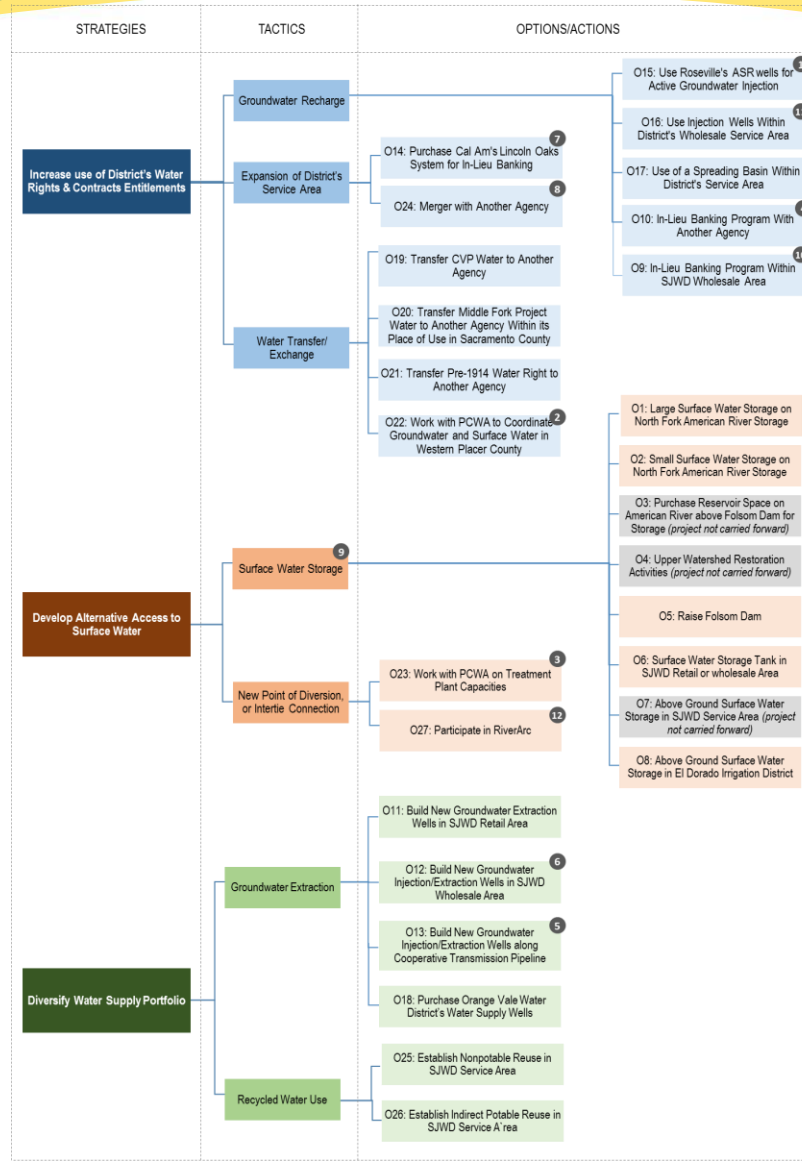
Development of Water Management Options

Strategies

Tactics



Water Management Options



Evaluation Criteria and Metrics

Cost-Effectiveness

- Cost per acre-foot

Contribution to Objectives

- Dry year reliability & extreme drought conditions
- Increase use of District's water supplies & treatment capacity
- Provide long-term financial benefits to District ratepayers

Implementation Complexity

- Environmental & permitting requirements and approvals
- Water rights and contracts requirements, Institutional
- Land acquisitions, public support, & schedule

Uncertainty

- Costs
- Yield and reliability



Preliminary Evaluation

- Existing information
- Qualitative & quantitative evaluation
- Consistent level of detail

SAN JUAN WATER DISTRICT WATER SUPPLY & RELIABILITY STUDY			
Project Evaluation Summary			
ID:		Type:	
Project Name:			
CRITERIA / METRICS	ASSESSMENT/ VALUE	SCORE	NOTES
Cost-Effectiveness			
Yield - Long-term Average (TAF/year)	1.0	N/A	
Water Supply Source	Pre-1914 and appropriative water right	APPR	
Total Cost (\$)	\$ 6,000,000,000	N/A	6 to 10 billion dollar estimate (Reclamation, 2013)
Overall Cost-effectiveness (\$/AF) (Total Cost / Yield)	\$ 326,228	N/A	Annualized, 3.5% discount rate over 30 year project life
Contribution to Objectives			
Perfect Beneficial Use	Moderate Potential	🟡🟡	
Improve Dry Year Reliability	High Potential	🟢🟢🟢	
Provide Financial Benefit	Low Potential	🔴	
Implementation Complexity			
Environmental Compliance Requirements	Complex: Likely EIS/EIR	🔴	
Permitting Requirements	Complex: Likely Individual Permit, Formal Section 7 Consultation	🔴	
Water Rights / Contracts	Moderate: Likely Change to Point of Diversion/Place of Use	🟡🟡	
Institutional & Coordination	High: Partnerships Needed, Likely New Agreement	🔴	
Land Acquisition	High: No Willing Seller Identified	🔴	
Public Acceptance & Support	Low: Low Public Acceptance and Support	🔴	
Schedule	Greater than 3 years to implement	🔴	
Uncertainty			
Costs	Moderate: Cost Information, No Engineering Details	🟡🟡	
Yield & Reliability	Moderate: Confirmed Yield, Moderate Reliability	🟡🟡	



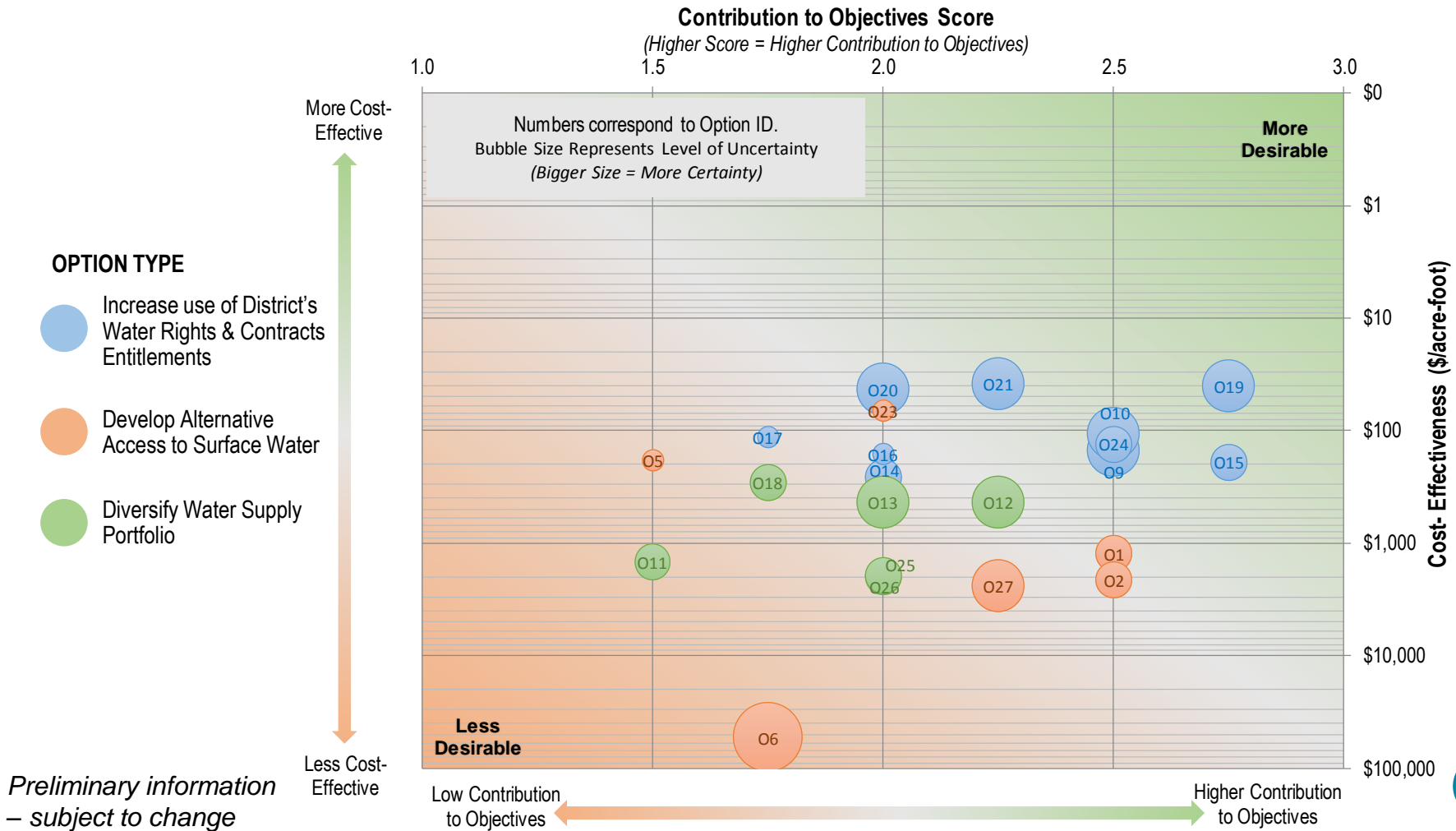
Summary of Preliminary Evaluations

Project Information				Cost-Effectiveness			Contribution to Objectives				Implementation Complexity						Uncertainty		Weighted Relative Scores						
ID	Name	Type	Water Source	Yield - Long-term Average (TAF/year)	Total Cost (\$)	Overall Cost-Effectiveness (\$/AF)	Improve Dry Year Reliability	Perfect Beneficial Use	Provide Financial Benefit	Extreme Drought Conditions	Environmental Compliance	Permitting Requirements	Water Rights/Contracts	Institutional & Coordination	Land Acquisition	Public Acceptance & Support	Schedule	Costs	Yield & Reliability	Cost-Effectiveness Score	Objectives Score	Implementation Completeness Score	Uncertainty Score	Initial Grouping	
																									O1
O2	Small Surface Water Storage on North Fork American River	SW	OTHR	17	\$ 1,011,500,000	\$ 2,139	●●●	●●●	●	●●●	●	●	●	●	●	●	●	●	●	●	1.00	2.50	1.00	1.50	C
O3	Purchase Reservoir Space on American River above Folsom Dam for Storage	SW	OTHR	0	\$ -	\$ -	●●●	●●●	●	●●●	●	●	●	●	●	●	●	●	●	●	2.50	1.71	1.00	1.00	x
O4	Upper Watershed Restoration Activities	SW	OTHR	0	\$ -	\$ -	●	●	●	●	●	●	●	●	●	●	●	●	●	●	1.25	2.14	1.00	1.00	x
O5	Raise Folsom Dam	SW	OTHR	17	\$ 87,034,804	\$ 184	●	●	●	●	●	●	●	●	●	●	●	●	●	1.99	1.50	1.00	1.00	C	
O6	Surface Water Closed Storage Tank in SJWD Retail or Wholesale Area	SW	OTHR	0	\$ 19,173,375	\$ 53,077	●	●	●	●	●	●	●	●	●	●	●	●	●	0.00	1.75	2.00	2.50	C	
O7	Above Ground Surface Water Storage in SJWD Retail or Wholesale Area	SW	OTHR	0	\$ -	\$ -	●●●	●	●	●	●	●	●	●	●	●	●	●	●	●	2.00	1.29	1.00	1.00	x
O8	Above Ground Surface Water Storage Basin in El Dorado Irrigation District	SW	OTHR	0	\$ -	\$ -	●●●	●	●	●	●	●	●	●	●	●	●	●	●	●	2.00	1.57	1.00	1.00	x
O9	In-Lieu Banking Program Within SJWD Wholesale Area	GW	OTHR	1	\$ 1,100,000	\$ 150	●●●	●●●	●	●	●	●	●	●	●	●	●	●	●	2.08	2.50	2.43	2.00	A	
O10	In-Lieu Banking Program With an Agency Other than the WCAs	GW	OTHR	54	\$ 5,200,000	\$ 105	●●●	●●●	●	●	●	●	●	●	●	●	●	●	●	2.35	2.50	2.29	2.00	A	
O11	Build New Groundwater Extraction Wells in SJWD Retail Area	GW	OTHR	0	\$ 1,000,000	\$ 1,459	●	●	●	●	●	●	●	●	●	●	●	●	●	1.28	1.50	2.14	1.50	C	
O12	Build New Groundwater Injection/Extraction Wells in SJWD Wholesale Area	GW	OTHR	5	\$ 27,000,000	\$ 432	●●●	●	●	●	●	●	●	●	●	●	●	●	●	1.85	2.25	2.00	2.00	B	
O13	Build New Groundwater Injection/Extraction Wells along Cooperative Transmission Pipeline	GW	OTHR	5	\$ 27,000,000	\$ 432	●●●	●	●	●	●	●	●	●	●	●	●	●	●	1.85	2.00	1.86	2.00	B	
O14	Purchase Cal Am's Lincoln Oaks System	GW	OTHR	17	\$ 50,000,000	\$ 260	●	●	●	●	●	●	●	●	●	●	●	●	●	1.95	2.00	1.29	1.50	C	
O15	Use Roseville's ASR wells for Active Groundwater Injection and Banking	GW	OTHR	2	\$ 300,000	\$ 191	●●●	●●●	●	●●●	●	●	●	●	●	●	●	●	●	1.98	2.75	1.43	1.50	B	
O16	Retrofit Existing Wells Within SJWD Wholesale Area for Injection/Extraction Use	GW	OTHR	8	\$ 2,000,000	\$ 163	●	●	●	●	●	●	●	●	●	●	●	●	●	2.00	2.00	2.14	1.00	B	
O17	Use of a Spreading Basin Within District Retail or Wholesale Area for Groundwater Recharge	GW	OTHR	1	\$ 300,000	\$ 115	●	●	●	●	●	●	●	●	●	●	●	●	●	2.30	1.75	1.71	1.00	B	
O18	Purchase Orange Vale Water Company's Water Supply Wells	GW	OTHR	0	\$ 500,000	\$ 289	●	●	●	●	●	●	●	●	●	●	●	●	●	1.93	1.75	2.00	1.50	B	
O19	Transfer CVP Water to Another Agency	NS	CVP	10	\$ 1,000,000	\$ 40	●●●	●●●	●●●	●	●	●	●	●	●	●	●	●	●	2.75	2.75	2.43	2.00	A	
O20	Transfer Middle Fork Project Water to Another Agency Within its Place of Use in Sacramento County	NS	MFP	7	\$ 1,000,000	\$ 43	●	●	●	●	●	●	●	●	●	●	●	●	●	2.74	2.00	2.71	2.00	A	
O21	Transfer Pre-1914 Water Right to Another Agency	NS	APPR	17	\$ 1,000,000	\$ 38	●	●	●	●	●	●	●	●	●	●	●	●	●	2.77	2.25	2.57	2.00	A	
O22	Integrate Groundwater and Surface Water Uses in Placer County	SW	CVP	0	\$ -	\$ -	●	●	●	●	●	●	●	●	●	●	●	●	●	●	1.50	1.29	1.00	1.00	x
O23	Coordinate Between SJWD and PCWA Water Treatment Plants to Optimize Operational Flexibility	SW	MFP	12	\$ 15,000,000	\$ 67	●	●	●	●	●	●	●	●	●	●	●	●	●	2.59	2.00	2.14	1.00	A	
O24	Merger with Another Agency	NS	OTHR	17	\$ 10,000,000	\$ 132	●	●	●	●	●	●	●	●	●	●	●	●	●	2.19	2.50	1.43	1.50	A	
O25	Establish Nonpotable Reuse in SJWD Service Area	RW	OTHR	3	\$ 51,000,000	\$ 1,989	●●●	●	●	●	●	●	●	●	●	●	●	●	●	1.00	2.00	1.86	1.50	C	
O26	Establish Indirect Potable Reuse in SJWD Service Area	RW	OTHR	6	\$ 98,600,000	\$ 1,956	●●●	●	●	●	●	●	●	●	●	●	●	●	●	1.00	2.00	1.29	1.50	C	
O27	Participate in RiverArc	SW	OTHR	1	\$ 64,300,000	\$ 2,376	●●●	●	●	●	●	●	●	●	●	●	●	●	●	0.99	2.25	1.29	2.00	C	

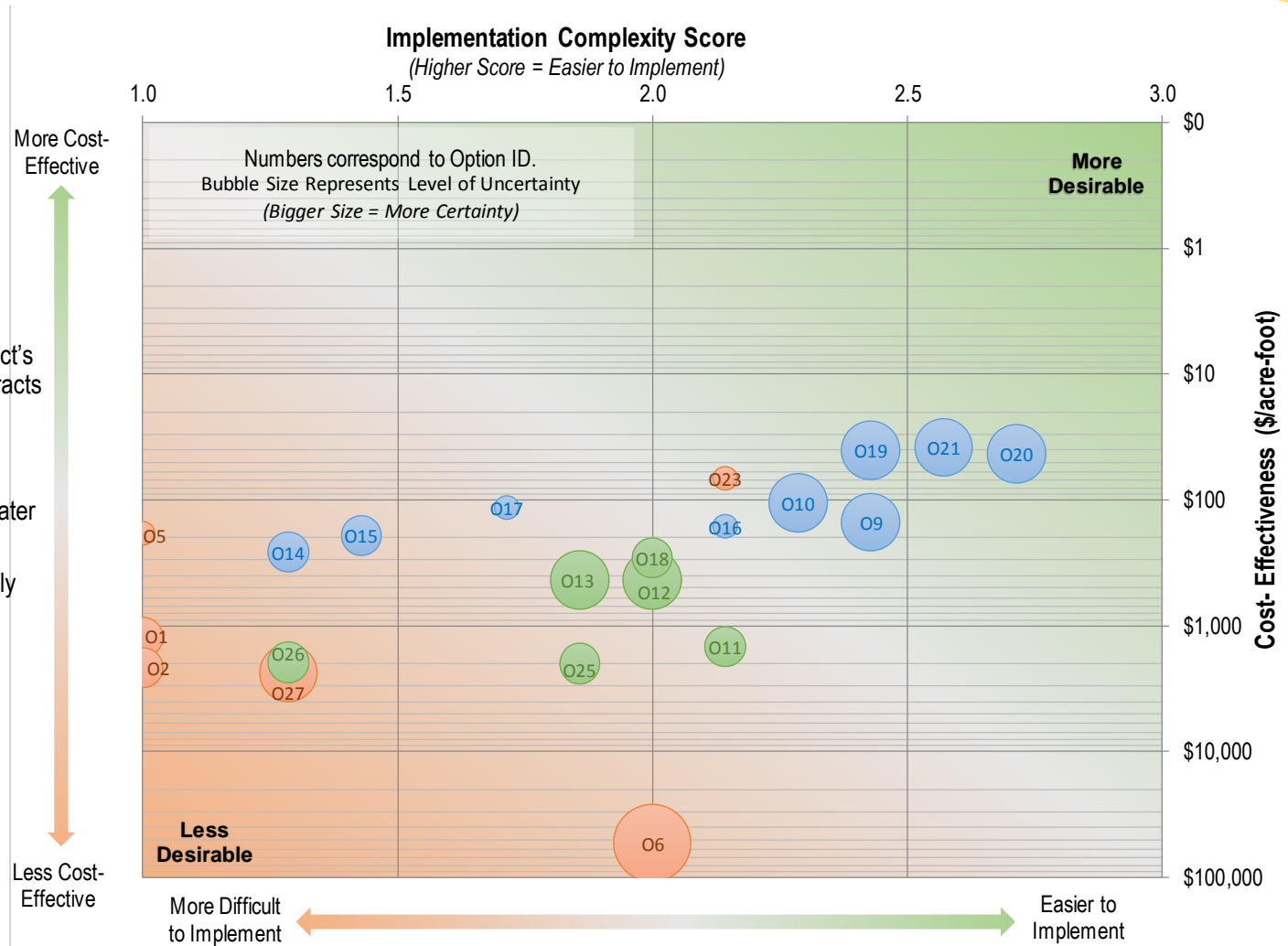
Preliminary information
– subject to change



Preliminary Trade-off Analysis 1/3



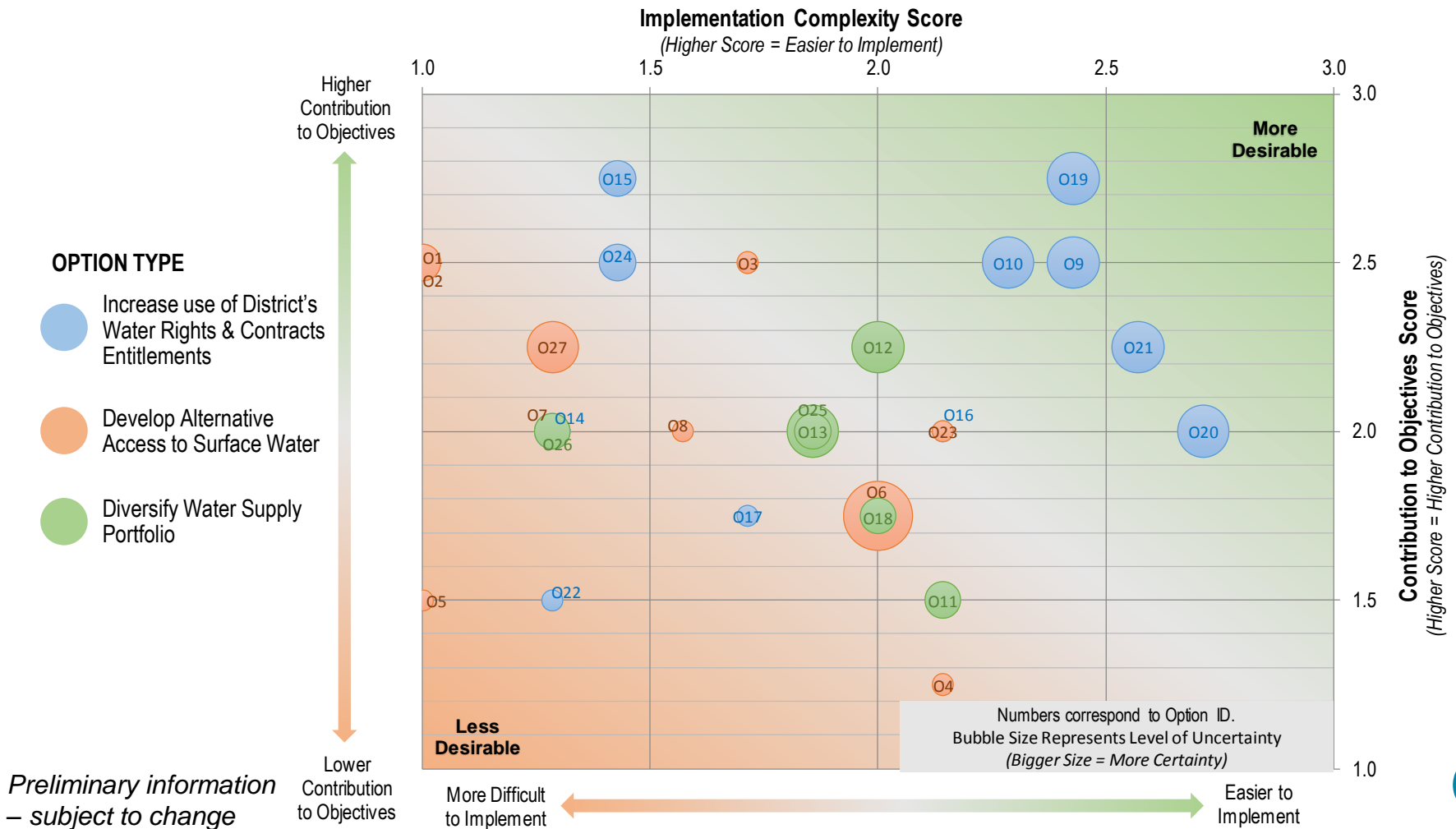
Preliminary Trade-off Analysis 2/3



Preliminary information
– subject to change

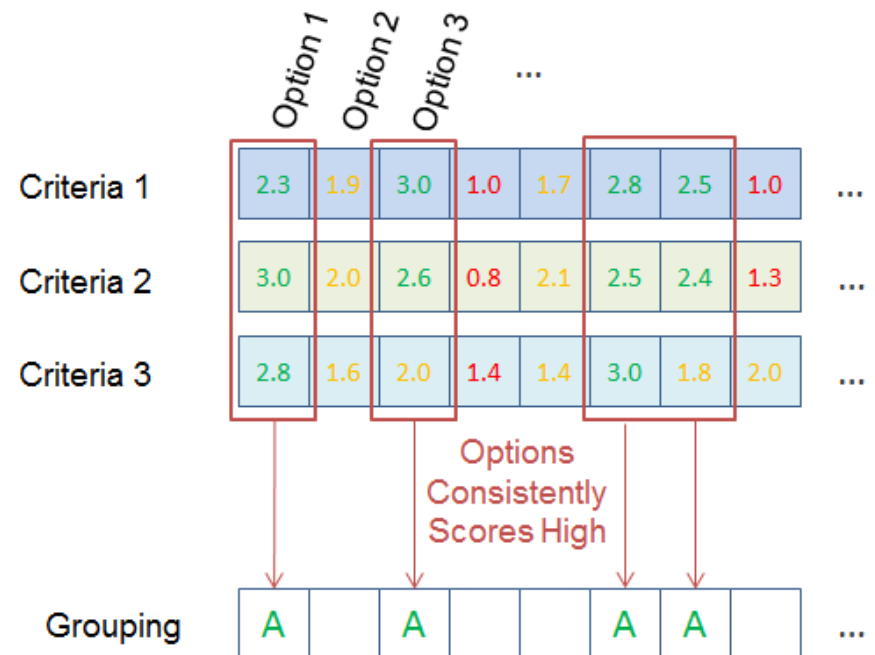


Preliminary Trade-off Analysis 3/3



Process for Ranking Initial Options

- Group options into 3 groups:
 - A. High potential - consistently high scores
 - B. Moderate potential – mixed scores
 - C. Low potential – consistently low scores



Initial Grouping of Options

ID	Name	Cost-Effectiveness Score	Objectives Score	Implementation Complexity Score	Uncertainty Score	Initial Grouping
O09	In-Lieu Banking Program Within SJWD Wholesale Area	2.08	2.50	2.43	2.00	A
O10	In-Lieu Banking Program With an Agency Other than the WCAs	2.35	2.50	2.29	2.00	A
O11	Build New Groundwater Extraction Wells in SJWD Retail Area	1.28	1.50	2.14	1.50	C
O12	Build New Groundwater Injection/Extraction Wells in SJWD Wholesale Area	1.85	2.25	2.00	2.00	B
O13	Build New Groundwater Injection/Extraction Wells along Cooperative Transmission Pipeline	1.85	2.00	1.86	2.00	B
O14	Purchase Cal Am's Lincoln Oaks System	1.95	2.00	1.29	1.50	C
O15	Use Roseville's ASR wells for Active Groundwater Injection and Banking	1.98	2.75	1.43	1.50	B
O16	Retrofit Existing Wells Within SJWD Wholesale Area for Injection/Extraction Use	2.00	2.00	2.14	1.00	B
O17	Use of a Spreading Basin Within District Retail or Wholesale Area for Groundwater Recharge	2.30	1.75	1.71	1.00	B
O18	Purchase Orange Vale Water Company's Water Supply Wells	1.93	1.75	2.00	1.50	B
O19	Transfer CVP Water to Another Agency	2.75	2.75	2.43	2.00	A
O20	Transfer Middle Fork Project Water to Another Agency Within its Place of Use in Sacramento County	2.74	2.00	2.71	2.00	A

A - Mostly high scores "green"

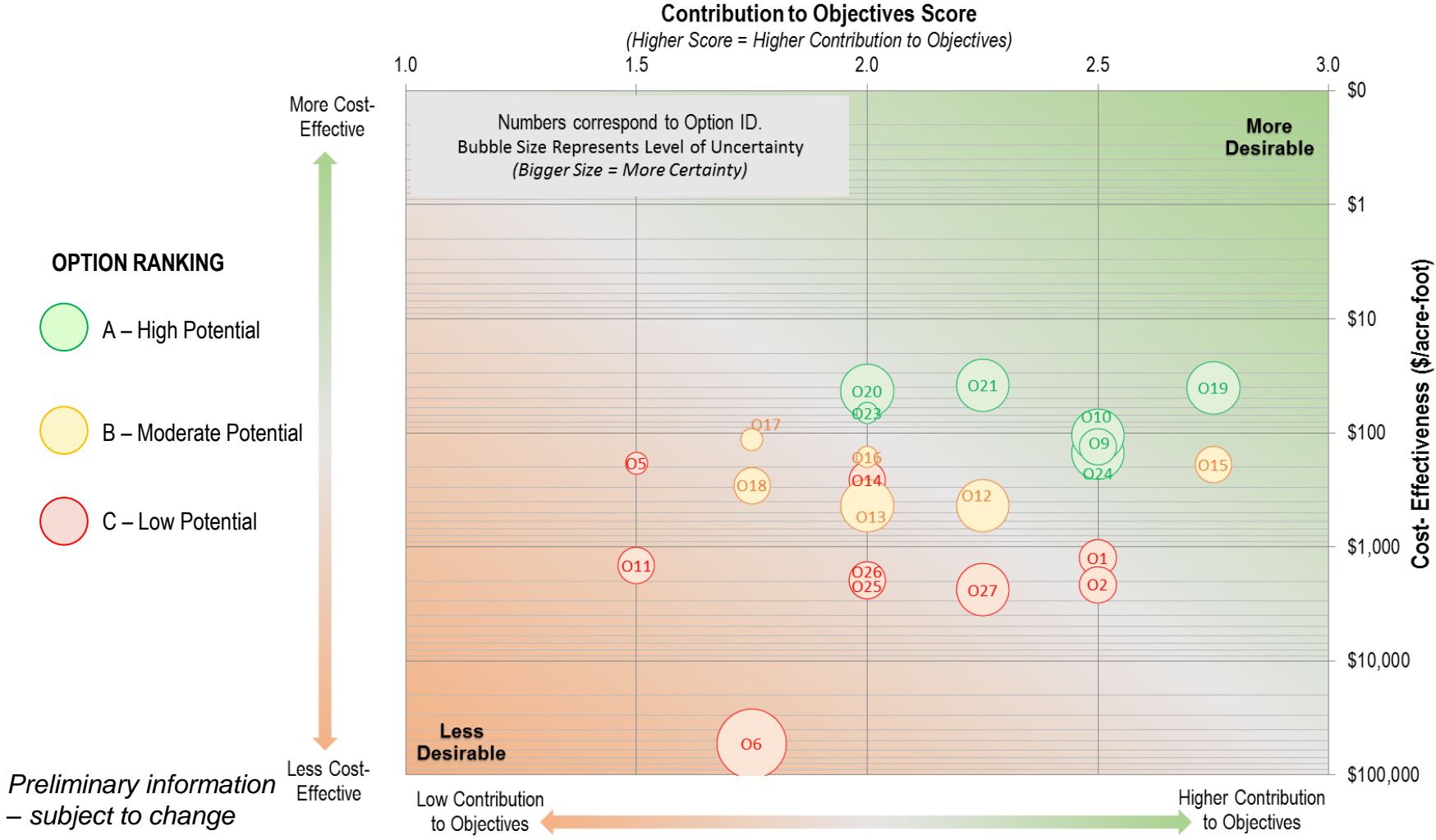
B - Mixed scored "yellow"

C - Mostly low scores "red"

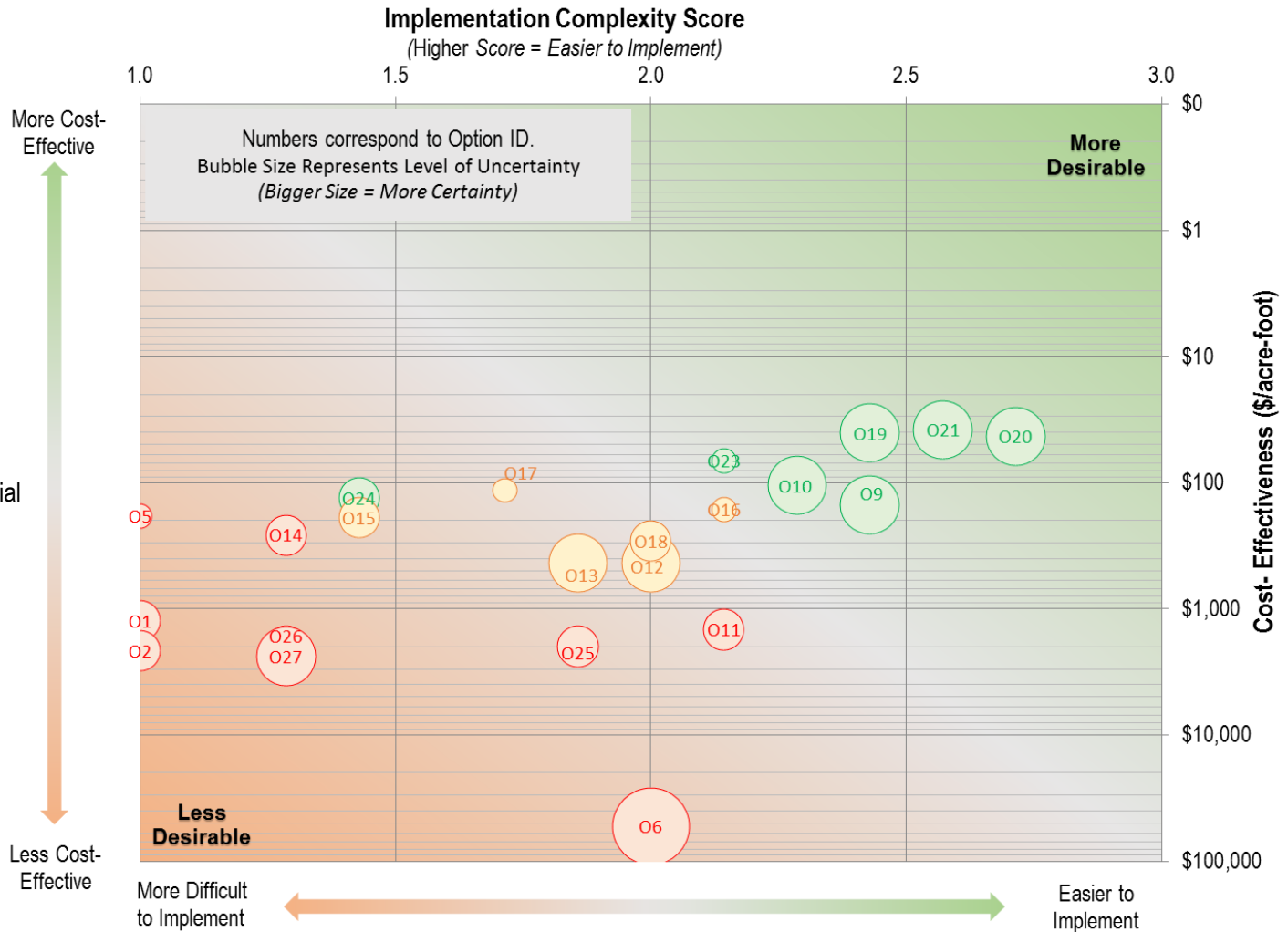
*Preliminary information
– subject to change*



Initial Ranking 1/3



Initial Ranking 2/3



Preliminary information
– subject to change



Initial Ranking 3/3



Next Steps

Draft TM4 - High-Level Evaluation and
Screening of Options

April 20, 2016

Board Meeting Presentation

April 27, 2016

Board Members Comments Due

May 4, 2016

Revised TM4 & Board Meeting Presentation

May 11, 2016



Finance Committee Meeting Minutes
San Juan Water District
April 12, 2016
4:00 p.m.

Committee Members: Ted Costa, Director (Chair)
Pam Tobin

District Staff: Shauna Lorance, General Manager
Donna Silva, Director of Finance
Rob Watson, Engineering Services Manager
Tony Barela, Operations Manager
Michael Stemple, Purchasing Agent
Teri Grant, Board Secretary/Administrative Assistant

Topics: Review and Pay Bills (W & R)
Approval for Purchase of Operating Materials – Anthracite
Orangevale Avenue Bridge Replacement Project
Update on Status of Audit Fiscal Year 2014-2015
Update on Status of Fiscal Year 2015-2016 Mid-Year Budget Review
Fitch - Downgrade of Bond Rating
Other Finance Matters
Public Comment

1. Review and Pay Bills (W & R)

The committee reviewed the presented bills and claims. There were no reimbursements to the General Manager for review in this packet of bills and claims. The reviewed bills and claims were found to be in order.

Staff update: the total amount of bills and claims provided for approval for March payables is \$1,092,096.84.

Staff recommends a motion for consideration of approval of Resolution 16-04.

2. Approval for Purchase of Operating Materials – Anthracite

Mr. Stemple informed the committee that Anthracite is one of the filtration media used to filter water during the treatment process. He provided the committee with a written staff report. A copy of the staff report will be attached to the meeting minutes. He explained that the treatment plant needs to order 1,640 CF of Anthracite and explained that the purchase of goods above \$15,000 needs Board approval. Therefore, since the bid was in excess of \$15,000, Board authorization is required. There were eight bids received with the lowest responsive bid from Carbon Sales at \$16,373.20.

The Finance Committee recommends consideration of a motion to authorize staff to purchase 1,640 C.F. of Anthracite from Carbon Sales in the amount of \$16,373.20, with a total budget of \$18,000 which includes a 10% contingency.

Ms. Silva commented that the Board had previously inquired if they should raise the threshold for when Board approval is needed for the purchase of budgeted goods and materials. Ms. Silva pointed out that this may be an example where a higher threshold would be more efficient as this is a periodic, but routine purchase of supplies needed to operate the plant. The Community Services District law requires it to be publicly bid and that can happen exclusive of Board approval. Director Costa voiced concern that the Board would not see the bids. Ms. Lorance explained that the item could be brought to the Finance Committee as an informational item and then placed on the Consent Calendar.

3. Orangevale Avenue Bridge Replacement Project

Mr. Rob Watson informed the committee that the District has an opportunity to work with the City of Folsom to fund a casing for a future pipeline. He explained that the City of Folsom is rebuilding the Orangevale Avenue Bridge and SJWD Engineering has been working with the City of Folsom to integrate provisions into the re-construction of the bridge deck for the installation of a future water main to be incorporated. This is another example of saving customers money by coordinating projects with neighboring agencies. A copy of the written staff report will be attached to the meeting minutes.

The Finance Committee recommends consideration of a motion to participate jointly with the City of Folsom to fund the incorporation of a casing pipe for a future water main to be installed under the new deck of the Orangevale Avenue Bridge when the bridge restoration project is under construction. SJWD's portion of the cost for the installation of the casing will be \$40,400 with a total project budget of \$45,000 which includes a 10% contingency.

4. Update on Status of Audit Fiscal Year 2014-2015

Ms. Silva informed the committee that Fiscal Year 2014-15 internal work is complete and the auditors are drafting the financial statements and management letter. She informed the committee that they are behind about two weeks from the anticipated completion date and that we are now waiting on the auditors to provide the draft financial statements. She informed the committee that the auditors are also behind schedule and the delay may cause us to push out the budget timeline.

Ms. Silva reported that the accounting department is almost completely caught up. All checking accounts are reconciled through the most recently completed month and all transactions are recorded. The Department has put processes and systems in place to ensure that they stay current with transaction recording and reconciliations. She explained that the only remaining areas to get back on a normal timeline are developer account billings, CAFR completion and the budget cycle. Since the Department has gotten caught up and is staying current with transaction recording and reconciliations, she anticipates a timely year end close and audit for FY 2015-16, as well as a timely budget process for FY 2017-2018

Ms. Silva is working towards presentation of the he CAFR and next quarterly finance update at the May 11th Board meeting, along with the Reserve balances ending FY 2014-15 and the mid-year review.

In response to Director Costa's comments, Ms. Silva will communicate his expectations to the auditors regarding review of the transition from the old accounting system to the Tyler system, along with confirming that it was done correctly and receiving their opinion on it.

For information only; no action requested.

5. Update on Status of Fiscal Year 2015-2016 Mid-Year Budget Review

Ms. Silva informed the committee that she anticipates providing a mid-year budget review at the May 11th Board meeting. She explained that the review will show how the actuals are tracking to the budget. She informed the committee that she still needs to look at the CIP budget and what is expected to be spent this fiscal year. Ms. Lorange commented that, since the budget was approved later in the fiscal year, some projects will not be completed this fiscal year and will be moved to next year.

For information only; no action requested.

6. Fitch - Downgrade of Bond Rating

Ms. Silva informed the committee that the District's bond rating was downgraded from AA⁺ to AA. She provided the committee with the Fitch Ratings report and a copy will be attached to the meeting minutes. She explained that the downgrade will not have a significant impact on the District's interest rate should the District need to borrow money. She informed the committee that the rating was downgraded due to several reasons such as weakened financial performance over the past three fiscal years due to a sharp decline in water sales and increased expenses related to the drought, some degree of habitual conservation will keep usage lower, and management turnover in the finance department.

Ms. Silva pointed out that there were some positive remarks in the report such as a strong debt profile (they identified that the District has significantly less debt than the average water agency); however, there is still a possibility that the bond rating could be reduced further if there is any further financial deterioration. She commented that the Board needs to work on reversing this negative trend so that when and if they desire to seek future bond financing they can get a lower rate, thereby saving ratepayers additional cost.

In response to Director Costa's comment, Ms. Lorange informed the committee that discussion of the District's unfunded PERS liability and how the District has been funding the OPEB liability will be discussed at an upcoming workshop/meeting.

For information only; no action requested.

7. Other Finance Matters (W or R)

There were no other matters discussed.

8. Public Comment

There were no public comments.

The meeting was adjourned at 4:45 p.m.

San Juan Water District

**RESOLUTION 16-04
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$1,092,096.84; and

WHEREAS, the Finance Committee of the Board of Directors has found the bills and claims to be in order.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Juan Water District as follows:

1. The bills and claims attached hereto totaling \$1,092,096.84 are hereby approved.
2. That the depository be and the same is hereby authorized to pay said bills and claims in the total sum of \$1,092,096.84 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 13th day of April 2016, by the following vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSENT:	DIRECTORS:

PAMELA TOBIN
President, Board of Directors
San Juan Water District

TERI GRANT
Secretary, Board of Directors

April 2016 Payment Register

Paid in Advance:

<u>Check Date:</u>	<u>Vendor:</u>		<u>Amount:</u>
3/31/2016	Payroll		639,566.41
3/29/2016	Department of Energy- WH Power Bill	EFT 404461	4,198.62
3/29/2016	State Board of Equalization - Use Tax	CK 49821	1,432.00
3/29/2016	AFLAC - Payroll	CK 49817	1,154.68
3/29/2016	Metropolitan Water District of Southern Ca-2016 NWRA Dues	EFT 404462	500.00
3/16/2016	Galic Disbursing Company - Payroll	CK 49803	400.00
4/8/2016	Galic Disbursing Company - Payroll	CK 49826	400.00
3/16/2016	Franchise Tax Board - Payroll	CK 49802	295.00
3/29/2016	Franchise Tax Board - Payroll	CK 49819	295.00
4/8/2016	Franchise Tax Board - Payroll	CK 49825	295.00
3/16/2016	CalPERS Long Term Care - Payroll	CK 49801	167.39
3/29/2016	CalPERS Long Term Care - Payroll	CK 49818	167.39
4/8/2016	CalPERS Long Term Care - Payroll	CK 49824	167.39
4/8/2016	ACWA / JPIA - Employee Assistance Program	EFT 404463	108.10
3/29/2016	Scheetz Welding Service Inc. - Welding Services	CK 49820	34.56
Total Paid in Advance			649,181.54

Checks:

** Checks cut from approved Open Payable List and Pending Payables. - See Attached Check Register

Regular Checks	284,261.19
EFT's	144,866.89
Total Check Register	
429,128.08	

Pending Payables:

<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
March Statement	US Bank - CalCards	12,971.97	12,971.97
1546	Automated Valve Services Inc - WTP Process Control Supplies	815.25	815.25
Total Pending Payables			13,787.22

REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE	1,092,096.84
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Adjustments:

None

TOTAL PAID AND PAYABLE	1,092,096.84
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Signature _____

Signature _____



By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
01569	5Employee Relations, Inc.	04/13/2016	Regular	0.00	432.50	49827
03091	Ace Hardware - Auburn Folsom Act#20	04/13/2016	Regular	0.00	452.33	49828
	Void	04/13/2016	Regular	0.00	0.00	49829
01112	ACS (US), Inc.	04/13/2016	Regular	0.00	17,331.97	49830
01041	Afman, Todd R	04/13/2016	Regular	0.00	531.48	49831
03342	Alaskin, Mary J	04/13/2016	Regular	0.00	223.53	49832
01068	Alpha Des Security - Glenn Walker	04/13/2016	Regular	0.00	993.00	49833
01073	Amarjeet Singh Garcha	04/13/2016	Regular	0.00	2,400.00	49834
01026	American River Ace Hardware, Inc.	04/13/2016	Regular	0.00	101.04	49835
01090	American Water Works Association	04/13/2016	Regular	0.00	255.00	49836
02463	AnswerNet	04/13/2016	Regular	0.00	200.10	49837
01138	AT&T Mobility II LLC	04/13/2016	Regular	0.00	61.51	49838
03343	Azizian, Archie	04/13/2016	Regular	0.00	69.80	49839
03357	B & M Builders Inc	04/13/2016	Regular	0.00	526.01	49840
01182	Bartkiewicz, Kronick & Shanahan	04/13/2016	Regular	0.00	35,450.89	49841
01219	Borges & Mahoney Company	04/13/2016	Regular	0.00	10,552.43	49842
	Void	04/13/2016	Regular	0.00	0.00	49843
01234	Bryce Consulting, Inc.	04/13/2016	Regular	0.00	1,425.00	49844
01291	California Urban Water Conservation	04/13/2016	Regular	0.00	3,841.33	49845
03116	Cater, Justen	04/13/2016	Regular	0.00	30.00	49846
03345	Cessna, Chris	04/13/2016	Regular	0.00	236.50	49847
01354	Chemtrac, Inc.	04/13/2016	Regular	0.00	2,405.00	49848
01372	City of Folsom	04/13/2016	Regular	0.00	29.12	49849
01373	City of Roseville	04/13/2016	Regular	0.00	6,348.90	49850
02613	Clark, Tom	04/13/2016	Regular	0.00	21.00	49851
03354	Custom Grading Inc	04/13/2016	Regular	0.00	0.53	49852
01494	Dewey Services Inc.	04/13/2016	Regular	0.00	164.00	49853
01609	Federal Express Corporation	04/13/2016	Regular	0.00	21.27	49854
01634	Folsom Lake Ford, Inc.	04/13/2016	Regular	0.00	2,902.94	49855
03352	Forest, Amber	04/13/2016	Regular	0.00	66.32	49856
01681	Golden State Flow Measurements, Inc	04/13/2016	Regular	0.00	6,286.39	49857
02567	Grant, Teri	04/13/2016	Regular	0.00	122.50	49858
01706	Graymont Western US Inc.	04/13/2016	Regular	0.00	6,054.72	49859
01733	Harris Industrial Gases	04/13/2016	Regular	0.00	172.87	49860
01835	Hoffman, Jason	04/13/2016	Regular	0.00	18.00	49861
01768	Hopkins Technical Products, Inc.	04/13/2016	Regular	0.00	1,018.51	49862
03347	Kensington Homes, Inc.	04/13/2016	Regular	0.00	8,646.00	49863
03348	LeFohn, Joel	04/13/2016	Regular	0.00	30.00	49864
03356	Lupton Excavation	04/13/2016	Regular	0.00	1,290.84	49865
01986	Maintenance Connection, Inc	04/13/2016	Regular	0.00	11,694.78	49866
01837	Mayorga, Jason	04/13/2016	Regular	0.00	50.00	49867
02024	MCI WORLDCOM	04/13/2016	Regular	0.00	107.48	49868
03300	Meyers Fozzi, LLP	04/13/2016	Regular	0.00	1,675.48	49869
02022	Morgan, Daren P.	04/13/2016	Regular	0.00	106.63	49870
02094	Neff Rental LLC	04/13/2016	Regular	0.00	1,227.75	49871
02129	Occu-Med Ltd.	04/13/2016	Regular	0.00	226.00	49872
02131	Office Depot, Inc.	04/13/2016	Regular	0.00	3,021.06	49873
	Void	04/13/2016	Regular	0.00	0.00	49874
	Void	04/13/2016	Regular	0.00	0.00	49875
	Void	04/13/2016	Regular	0.00	0.00	49876
	Void	04/13/2016	Regular	0.00	0.00	49877
02143	Orr, Shay	04/13/2016	Regular	0.00	191.00	49878
02150	Pace Supply Corp	04/13/2016	Regular	0.00	19,682.73	49879
	Void	04/13/2016	Regular	0.00	0.00	49880

Check Register

Packet: APPKT00885-2016-04-13 April Board Approved AP- MS

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02163	Pape' Machinery, Inc.	04/13/2016	Regular	0.00	1,233.44	49881
03026	PFM Asset Management	04/13/2016	Regular	0.00	844.04	49882
02146	PG&E	04/13/2016	Regular	0.00	228.33	49883
02206	PLACER CO CLERK-RECORDER	04/13/2016	Regular	0.00	50.00	49884
02210	Placer County Water Agency	04/13/2016	Regular	0.00	19,261.65	49885
02283	Recology Auburn Placer	04/13/2016	Regular	0.00	1,291.29	49886
	Void	04/13/2016	Regular	0.00	0.00	49887
02223	Rexel Inc (Platt - Rancho Cordova)	04/13/2016	Regular	0.00	2,512.37	49888
02328	Rocklin Windustrial Co	04/13/2016	Regular	0.00	902.36	49889
02361	Sac City Blue, Inc.	04/13/2016	Regular	0.00	461.22	49890
02357	Sacramento Municipal Utility District (04/13/2016	Regular	0.00	6,892.75	49891
02446	Sierra Chemical Co	04/13/2016	Regular	0.00	3,664.57	49892
02452	Sierra National Construction, Inc.	04/13/2016	Regular	0.00	1,395.00	49893
03086	Sierra Saw Power Equipment	04/13/2016	Regular	0.00	204.50	49894
03309	Sorum, Mark	04/13/2016	Regular	0.00	3,000.00	49895
03344	Stedman, Donald	04/13/2016	Regular	0.00	7.90	49896
01411	SureWest Telephone	04/13/2016	Regular	0.00	1,602.95	49897
02540	Sutter Medical Foundation	04/13/2016	Regular	0.00	289.00	49898
02544	Syblon Reid	04/13/2016	Regular	0.00	21,674.18	49899
03353	Teichert Construction	04/13/2016	Regular	0.00	1,250.53	49900
03355	Telfer Highway Technologies	04/13/2016	Regular	0.00	714.45	49901
02580	The Eidam Corporation	04/13/2016	Regular	0.00	15,290.10	49902
02611	Todd Heldt Excavating, Inc.	04/13/2016	Regular	0.00	5,890.00	49903
01712	Turner, Greg	04/13/2016	Regular	0.00	100.75	49904
02638	Tyler Technologies, Inc.	04/13/2016	Regular	0.00	18,634.80	49905
02651	United Parcel Service Inc	04/13/2016	Regular	0.00	217.88	49906
03284	Vavrinek, Trine, Day & Co, LLP	04/13/2016	Regular	0.00	26,071.00	49907
02690	Verizon Wireless	04/13/2016	Regular	0.00	547.33	49908
02700	Viking Shred LLC	04/13/2016	Regular	0.00	150.00	49909
01687	W. W. Grainger, Inc.	04/13/2016	Regular	0.00	159.56	49910
02311	Watson, Rob	04/13/2016	Regular	0.00	40.00	49911
	Void	04/13/2016	Regular	0.00	0.00	49912
02766	Youngdahl Consulting Group, Inc.	04/13/2016	Regular	0.00	983.00	49913
01034	Advanced Utility Systems, a Division o	04/13/2016	EFT	0.00	2,100.00	404464
01048	Airgas, Inc	04/13/2016	EFT	0.00	552.27	404465
01081	American Messaging Services, LLC	04/13/2016	EFT	0.00	14.06	404466
01232	Brower Mechanical, Inc.	04/13/2016	EFT	0.00	2,200.00	404467
01282	California Independent System Operat	04/13/2016	EFT	0.00	416.54	404468
01330	CDW Government LLC	04/13/2016	EFT	0.00	605.92	404469
03221	Chemtrade Chemicals Corporation	04/13/2016	EFT	0.00	16,911.91	404470
01521	DataProse, LLC	04/13/2016	EFT	0.00	9,671.54	404471
01486	Department of Energy	04/13/2016	EFT	0.00	720.75	404472
01589	Eurofins Eaton Analytical, Inc	04/13/2016	EFT	0.00	1,783.00	404473
03328	Everbridge, Inc.	04/13/2016	EFT	0.00	11,340.00	404474
01611	Ferguson Enterprises, Inc	04/13/2016	EFT	0.00	2,051.32	404475
01721	Hach Company	04/13/2016	EFT	0.00	140.55	404476
01790	Industrial Safety Supply Corp of Califoi	04/13/2016	EFT	0.00	481.16	404477
01917	Kennedy/Jenks Consultants, Inc.	04/13/2016	EFT	0.00	19,443.14	404478
02367	McClatchy Newspapers, Inc.	04/13/2016	EFT	0.00	329.38	404479
02027	Mcmaster-Carr Supply Company	04/13/2016	EFT	0.00	558.81	404480
01472	Mel Dawson, Inc.	04/13/2016	EFT	0.00	3,874.14	404481
02069	Motion Industries	04/13/2016	EFT	0.00	585.44	404482
02079	MWH Americas, Inc.	04/13/2016	EFT	0.00	45,845.05	404483
03188	Pacific Material Handling Systems	04/13/2016	EFT	0.00	588.19	404484
01069	Print and Mail Solutions, Inc	04/13/2016	EFT	0.00	767.38	404485
02275	Ramos Oil Recyclers, Inc.	04/13/2016	EFT	0.00	77.25	404486
02281	Ray A Morgan Company Inc	04/13/2016	EFT	0.00	897.02	404487
02314	Robert Half International, Inc	04/13/2016	EFT	0.00	1,496.32	404488
03220	Solenis LLP	04/13/2016	EFT	0.00	3,676.50	404489
02495	Spraying Systems Co	04/13/2016	EFT	0.00	4,703.20	404490
03341	Tele Town Hall, LLC	04/13/2016	EFT	0.00	1,800.00	404491

Check Register

Packet: APPKT00885-2016-04-13 April Board Approved AP- MS

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02564	Telstar Instruments	04/13/2016	EFT	0.00	8,915.00	404492
02162	Tobin, Pamela	04/13/2016	EFT	0.00	39.96	404493
02710	Wageworks, Inc	04/13/2016	EFT	0.00	98.00	404494
02730	Western Area Power Admin	04/13/2016	EFT	0.00	2,182.99	404495

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	183	78	0.00	284,261.19
Manual Checks	0	0	0.00	0.00
Voided Checks	0	9	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	58	32	0.00	144,866.89
	241	119	0.00	429,128.08

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	4/2016	429,128.08
			429,128.08

STAFF REPORT

To: Board of Directors
From: Mike Stemple – Purchasing Agent
Date: April 13, 2016
Subject: Approval for Purchase of Operating Materials - Anthracite

RECOMMENDED ACTION

Staff recommends authorizing the purchase of 1,640 C.F. of Anthracite from the lowest bidder, Carbon Sales in the amount of \$16,373.20. This item is budgeted item.

BACKGROUND

Anthracite is one of the filtration media used to filter water during the treatment process. Anthracite will break down over time and requires replenishment; the district schedules this activity approximately every 2 years, with the last replenishment activity in 2012. Per Ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess of \$15,000 Board authorization is required. Per Appendix B of Ordinance 4000, purchases in excess \$15,000 are required to be publically bid.

The public bids were opened and read on March 17, 2016. Eight bids were received. Carbon Sales provided the lowest bid with a delivered price of \$16,373.20. The next closest bidder was 5% higher and the third bidder 8% higher.

#	Company Name	Process	Location	Bid Total	% Higher Low Bid
1	Carbon Sales	Wet	Wilkes-Barre , Pa	\$ 16,373.20	Low Bidder
2	S-4 Water	Wet	Bowlinggreen, KY	\$ 17,173.26	5%
3	Carbonite Filter Co	Wet	Delano, PA	\$ 17,683.12	8%

Carbon Sales is located in Wilkes-Barre, PA and is a global producer of anthracite for over 35 years. Carbon Sales Inc. material is wet processed as required by the District and is able to meet our specification and delivery requirements. Carbon Sales has agreed to hold the pricing through June 30, 2016 in the event additional material is required by the District.

STAFF REPORT

To: Board of Directors
From: Rob Watson, P.E.
Engineering Services Manager
Date: April 12, 2016
Subject: Orangevale Avenue Water Main Improvements Project
Recommendation to Fund Partnering Project with City of Folsom

RECOMMENDATION ACTION

Staff recommends a motion to fund \$45,000 to install a casing pipe under the new deck of the Orangevale Avenue Bridge during the construction of the City's bridge restoration project. This is a joint participation project with the City of Folsom to prepare for a future water distribution system main to be installed at this bridge crossing.

BACKGROUND

The existing Orangevale Avenue Bridge is a reinforced concrete arch bridge which was constructed in 1915. The City of Folsom is rebuilding the bridge to meet current safety standards, improve the width and alignment, and repair the concrete support structure. SJWD Engineering has been working with the City of Folsom and their bridge design engineer to integrate provisions into the re-construction of the bridge deck for the installation of a future water main to be incorporated.

STATUS

The City of Folsom publically advertised the project, with bids due on March 1st, 2016. Bid results are summarized in the following table.

Bidder Name	Bid Total	City's Ranking	SJWD's Cost Share
Viking Construction	\$ 2,129,633	1	\$ 40,400
Myers and Sons Construction	\$ 2,298,815	2	\$ 48,480
MCM Construction	\$ 2,430,000	3	\$ 50,500
Steelhead Construction	\$ 2,433,475	4	\$ 84,840
Syblon Reid	\$ 2,690,419	5	\$ 73,730

The City selected Viking Construction as the low responsive and responsible Bidder to complete the Work. This Bidder was also the low for SJWD's portion of the Work.

BUDGET IMPACT

SJWD's pipeline project will be budgeted \$245,000 for construction in FY 2021-2022 as accounted for in the forthcoming financial plan. However this initial portion of SJWD's project must be funded early to reimburse the City of Folsom for preliminary work necessary to prepare the bridge for SJWD's future pipeline project.

It is unclear which fiscal year will incur the initial \$45,000 expense. It will likely span fiscal year 2015-16 and 2016-17. The 2015-16 CIP can absorb the cost as there are other projects budgeted that will not be fully expensed prior to the end of the fiscal year, therefore a budget adjustment is not necessary to accommodate this expenditure.

FITCH DOWNGRADES SAN JUAN WATER DISTRICT, CA'S COPS TO 'AA'; OUTLOOK STABLE

Fitch Ratings-San Francisco-08 April 2016: Fitch Ratings has downgraded the following San Juan Water District (SJWD), California debt ratings to 'AA' from 'AA+':

--\$29.3 million San Juan Water District revenue certificates of participation (COPs), series 2009A;

--\$13.5 million San Juan and Citrus Heights Project revenue COPs, series 2012A.

The Rating Outlook on both series of bonds remains Stable.

SECURITY

The San Juan Water District COPs are secured by net water revenues of the San Juan Water District.

The San Juan and Citrus Heights Project COPs are secured by payments to the San Juan Suburban Water District Financing Corp. from the San Juan Water District (on parity with its other COPs) and the Citrus Heights Water District on a joint and several basis; there are no step-up provisions between the two. Each district's payments to the Financing Corp. are secured by an absolute and unconditional pledge of their respective net water revenues.

KEY RATING DRIVERS

SUSTAINED LOWER FINANCIAL MARGINS: San Juan's financial performance has weakened in the past three fiscal years due to a sharp decline in water sales and increased expenses related to drought. While debt service coverage (DSC) remains adequate and liquidity remains strong, the sustained levels of lower coverage are not consistent with the 'AA+' rating.

DROUGHT REGULATORY PRESSURE: The state of California ordered San Juan to reduce water usage by 33% from 2013 levels in response to a statewide drought emergency. While local water supply conditions have improved in 2016 with El Nino rains and some easing in drought restrictions is expected, some degree of conservation has likely become habitual. Usage levels may remain low.

STRONG DEBT PROFILE: San Juan's direct debt burden is very low at about \$800 per underlying retail customer. The district has no further borrowing plans, which will allow the debt burden to decline gradually.

HEALTHY SERVICE AREA: San Juan provides essential services to a sizeable and economically healthy suburban service area as a retail and wholesale water provider.

WEAKEST LINK APPROACH: The San Juan and Citrus Heights Project rating is based on a weakest-link analysis because the COPs are secured a joint but not several obligation of the two water districts. The rating is based on the credit quality of San Juan Water District, which is responsible for about 90% of debt service payments.

CITRUS HEIGHTS PERFORMS BETTER: Citrus Heights Water District purchases wholesale water from the San Juan Water District. Citrus Heights is a retailer to a smaller, less affluent part

of the overall San Juan service area. Its credit quality is supportive of the 'AA' rating on the bonds issued by the Financing Corp.

RATING SENSITIVITIES

FURTHER FINANCIAL DETERIORATION: The ratings could come under further downward pressure if the utility's financial performance slips further on a sustained basis. The stable outlook reflects rate action taken mid-year in fiscal 2016 that is expected to reverse the downward trend in margins.

CHANGE IN SAN JUAN CREDIT QUALITY: A shift in the rating of the San Juan Water District would result in a corresponding rating change on the bonds issued by the Financing Corp.

CREDIT PROFILE

The San Juan Water District provides retail and wholesale water services to about 182,000 residents in a 46-square-mile suburban service area about 25 miles northeast of downtown Sacramento. It provides retail services to 10,500 accounts and wholesale services to the Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Co., and the city of Folsom. The district's service area is largely residential and nearly fully built out.

FINANCIAL PERFORMANCE WEAKENED BY DROUGHT

San Juan's historically strong financial performance weakened more than expected in the last three years due to a severe and ongoing California drought. Fitch calculated DSC fell to 1.7x in fiscal 2014 and is projected to drop to 1.4x in fiscal 2015 (unaudited), well below the district's average of 2.3x in the four years before the drought (2010 to 2013) and below Fitch's sector median of 2.1x. The decline reflects a particularly large state water conservation mandate, as well as deeper, earlier drought conservation due to local supply conditions. Free cash-to-depreciation fell to just 52% in fiscal 2014 and an estimated 33% in fiscal 2015.

Another year of below-average coverage is expected in fiscal 2016, but the exact degree of the weakness is unclear given management's uncertainty over final projected sales volumes. Fiscal year-end is June 30, 2016 but the utility does not currently have a long-term financial forecast, including results for fiscal 2016.

SJWD has significant financial reserves to withstand expected variability in revenues. Unrestricted cash and investments equaled a robust \$23.1 million, or 607 days cash, as of June 30, 2014, exceeding the 485-day median for 'AA' category utilities. However, this sizable increase from \$14.4 million in fiscal 2013 reflected a reclassification by the auditors of formerly restricted reserves. Cash is expected to end fiscal 2015 strong at \$27.7 million, but the 2015 audit is not yet available.

MANAGEMENT TURNOVER, LACK OF DEPTH

The utility has a very small finance staff and has suffered repeated turnover of finance directors. The utility was unable to provide a financial forecast, which is a typical practice among California water agencies given the variability in water sales in the region, and its 2015 audit is not yet complete, more than nine months after the close of the fiscal year. The audit has been delayed by the implementation of a new accounting system. Management now believes that it has sufficient staffing to allow resumption of typical financial planning in the future, and it believes it has largely succeeded in implementing its new accounting software. The 'AA' rating reflects Fitch's expectation that the district will resume more timely reporting and forecasting.

STATE FORCES CONSERVATION

An extreme California drought reduced San Juan's water sales, as both state regulatory action and local supply constraints decreased water usage. The California State Water Resources Control Board imposed mandatory conservation targets on every retail utility in the state to combat a

drought emergency in 2015. The board ordered San Juan to reduce its production by 36%. It has since reduced the conservation target to 33%. District management expects additional significant reductions in the conservation target when the state board meets to review drought regulations again next month. San Juan has allowed residents to resume normal water use with only voluntary conservation efforts. This approach could boost sales for the remainder of the current fiscal year; however, the durability of the improvement will depend on state regulatory decisions that have not yet been made.

SJWD's supply position is generally strong with high-priority water rights significantly in excess of demand on the American River, which feeds Folsom Lake, California's ninth largest reservoir, but the current drought has highlighted the risks of the agency's surface water dependence. Declines in Folsom Lake levels early in 2014 threatened to draw water levels below intakes that serve San Juan and would have required the U.S. Bureau of Reclamations to use water pumping barges to serve the agency, prompting a period of deep conservation even before state regulatory action. The reservoir has since recovered to well above the levels of San Juan's intakes, and the risk of actual supply interruptions appears to have receded.

SOLID RATE FLEXIBILITY

San Juan has generally shown solid rate discipline but has not raised rates enough to stabilize net revenues in the current drought. The utility raised base rates by 15% on Jan. 1, 2016 and imposed a 10% drought surcharge on users. Even following the sizable rate increase, base retail water rates appear very affordable with 10 hundred cubic feet (HCF) of water costing \$40.47 a month, or 0.4% of median household income, and wholesale rates appear competitive compared to other wholesale water providers in the state of California.

STRONG DEBT PROFILE

SJWD's direct debt burden is quite low at \$43.2 million, or \$800 per customer. This is well below Fitch's sector median of \$1,865. With no further borrowing planned, the debt ratios are expected to continue to decline rapidly. Amortization of the district's outstanding debt is about 70% repaid in 20 years.

The district has regularly maintained and improved its infrastructure with minimal borrowing. Capital expenditures averaged a solid 211% of depreciation over the past five years. Future capital plans are driven by the need to maintain the district's aging pipe system, but appear to be quite manageable.

SOLID SUBURBAN SERVICE AREA

The district serves a sizeable and diverse suburban Sacramento service area. The metropolitan area's non-seasonally adjusted unemployment rate was near the national average at 5.4% in February 2016. The district's retail service area is centered on the community of Granite Bay, which has median household income about twice the national level.

CITRUS HEIGHTS CREDIT CHARACTERISTICS SUPPORT RATING

The Citrus Heights Water District (CHWD; obligor for about 10% of the San Juan and Citrus Heights Project COPs) is the largest of San Juan's wholesale water customers. CHWD serves the suburb of Citrus Heights and small areas of adjacent communities. Financial performance is solidly above Fitch's sector medians for all rating categories with DSC averaging 6.5x over the three years ended Dec. 31, 2014 and unrestricted cash and investments equal to 530 days cash. The district's direct debt burden is low at just \$286 per customer. Debt levels are expected to decline rapidly because the district has no further borrowing plans and amortization of outstanding debt is very rapid with 74% of principal repaid in the next 10 years.

Contact:

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Additional information is available at 'www.fitchratings.com'.

In addition to the sources of information identified in Fitch's Revenue-Supported Rating Criteria, this action was additionally informed by information from CreditScope.

Applicable Criteria

Revenue-Supported Rating Criteria (pub. 16 Jun 2014)

https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=750012

U.S. Water and Sewer Revenue Bond Rating Criteria (pub. 03 Sep 2015)

https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=869223

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AGENDA ITEM V-1.5.1



**California Special
Districts Association**
Districts Stronger Together

DATE: February 19, 2016
TO: CSDA Voting Member Presidents and General Managers
FROM: CSDA Elections and Bylaws Committee
**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT B**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2017 - 2019 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular member located within the geographic network that they seek to represent. (See attached Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, held every other month at the CSDA office in Sacramento.
 - Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
 - Attend CSDA's two annual events: Special Districts Legislative Days (held in the spring) and the CSDA Annual Conference (held in the fall).
 - **Complete all four modules of CSDA's Special District Leadership Academy within 2 years.**
(CSDA does not reimburse for expenses for the two conferences or the Academy classes even if a Board or committee meeting is held in conjunction with the events).
-

Nomination Procedures: Any Regular Member is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is May 20, 2016.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 3rd. The ballots must be received by CSDA no later than 5:00 p.m. August 5, 2016. The successful candidates will be notified no later than August 8th. All selected Board Members will be introduced at the Annual Conference in San Diego, CA in October.

Expiring Terms

(See enclosed map for regional breakdown)

Northern Network	Seat B Greg Orsini, McKinleyville Community Services District*
Sierra Network	Seat B Ginger Root, Country Club Sanitary District*
Bay Area Network	Seat B Sherry Sterrett, Pleasant Hill Recreation & Park District
Central Network	Seat B Tim Ruiz, East Niles Community Services District*
Coastal Network	Seat B <i>N/A</i>
Southern Network	Seat B Bill Nelson, Orange County Cemetery District*
	Seat B Kathy Tiegs, Cucamonga Valley Water District

(* = Incumbent is running for re-election)

If you have any questions, please contact Charlotte Lowe at 877-924-CSDA or charlottel@csla.net.



**California Special
Districts Association**
Districts Stronger Together

2016 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map on back)

Telephone: _____

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this **form and a Board resolution/minute action supporting the candidate and Candidate Information Sheet** by fax or mail to:

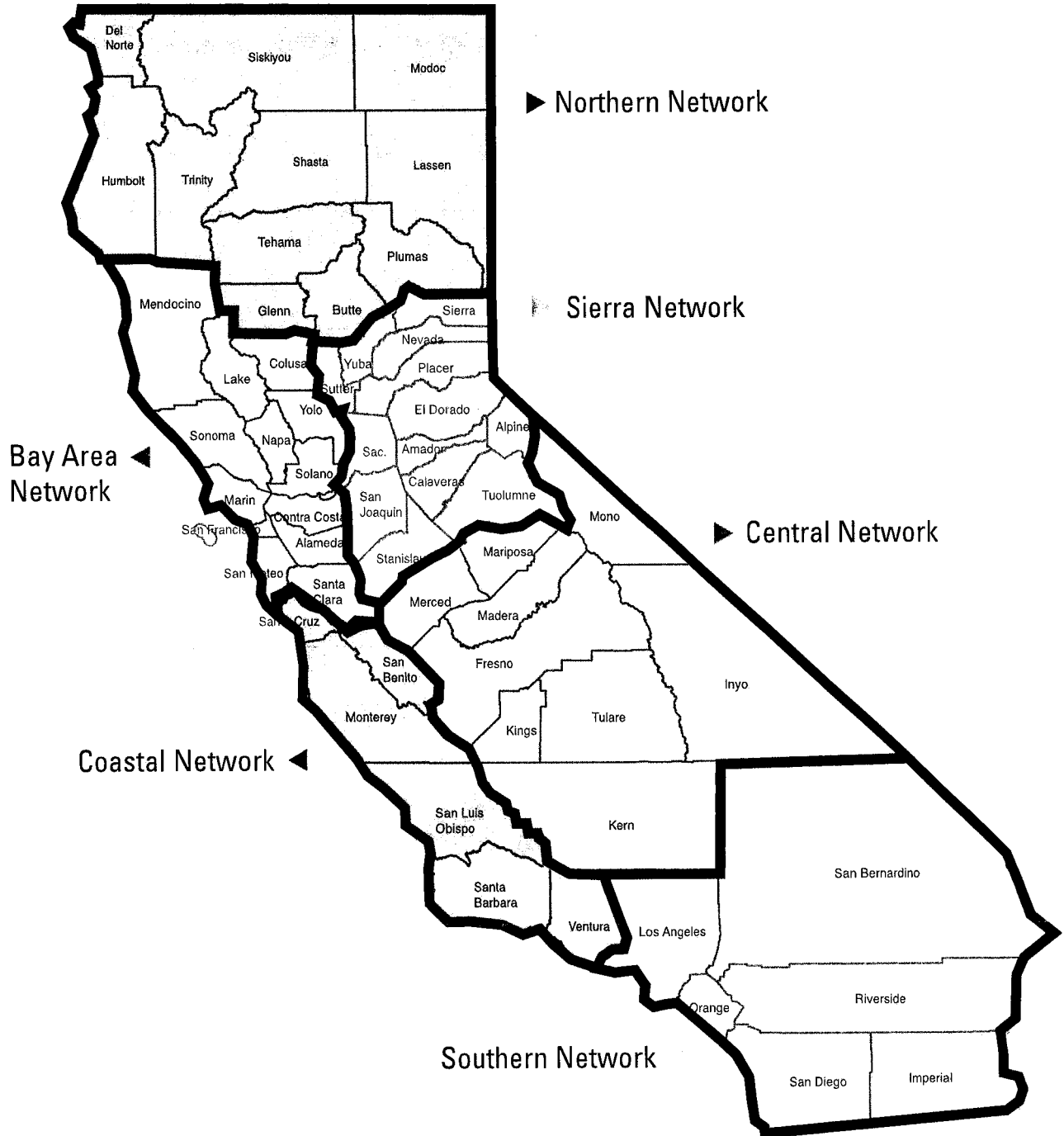
CSDA
Attn: Charlotte Lowe
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – May 20, 2016



California Special Districts Association

DISTRICT NETWORKS





**California Special
Districts Association**
Districts Stronger Together

2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.**



MEMORANDUM
COMMUNITY DEVELOPMENT/RESOURCE AGENCY
PLANNING SERVICES DIVISION
County of Placer

TO: Board of Supervisors DATE: April 19, 2016

FROM: Michael J. Johnson, AICP
Agency Director

BY: Brett Storey, Senior Management Analyst

SUBJECT: Drought emergency water conservation regulations for Placer County

ACTION REQUESTED

Adopt a Resolution to requests the following actions:

- 1) That the State Water Resources Control Board rescind water conservation regulations for Placer County
- 2) That the Governor of the State of California amend and apply his April 1, 2015 emergency declaration only to areas of the state that continue to experience water shortages because of either hydrologic or regulatory conditions
- 3) That the Governor of the State of California immediately direct the State Water Resources Control Board to rescind the application of drought emergency conservation regulations to any water supply agency located within Placer County.

BACKGROUND

Due to several years of drought, on April 1, 2015, Governor Brown issued Executive Order B-29-15, which required, in part, that the State Water Resources Control Board impose restrictions to achieve a 25% statewide reduction in urban potable water use by February 29, 2016, compared to usage in 2013. On May 5, 2015, the State Water Resources Control Board adopted drought emergency conservation regulations to implement the Governor’s mandate, including a range of reductions by urban water suppliers based on their residential per capita water usage in 2014. As a result, most cities and unincorporated areas of west Placer County were required to reduce water use between 28% and 36%, and water suppliers in east Placer County to conserve in excess of 20%.

As of February 29, 2016, the communities of west Placer County achieved a cumulative regional savings of 32%, and water suppliers in east Placer County far surpassed their 20% requirement.

On November 13, 2015, Governor Brown issued Executive Order B-36-15, which specified, in part, that should drought conditions persist through January 2016, the State Water Resources Control Board would extend restrictions through October 31, 2016 to achieve statewide reductions in potable water usage, and incorporate insights gained from existing restrictions.

On February 5, 2016, the State Water Resources Control Board adopted an extension of the conservation regulations until October 31, 2016, which provided reductions in conservation requirements for water agencies in warmer and drier parts of the state, for those that recently implemented recycled water or desalination projects, and for those that had experienced population growth since 2013.

As of March 17, 2016, precipitation, snowpack, and reservoir levels were above average, and, in some instances, spilling in the watersheds that Placer County municipalities rely on for water supplies.

Because of these hydrological conditions, on March 17, 2016, the Placer County Water Agency submitted comments to the State Water Resources Control Board requesting that conservation regulations be rescinded in the region.

On April 20, 2016, the State Water Resources Control Board will conduct a public workshop on potential modifications to the conservation regulations to address hydrologic conditions through March, and consider changes to the regulations before the Board's second meeting in May 2016. The attached Resolution states that due to the lack of any drought conditions in Placer County, and the excellent local planning efforts of local municipalities there is no rationale for the State of California to continue the socially and economically damaging drought regulations promulgated by the State Water Resources Control Board. Further, it requests that the Governor of the State of California immediately direct the State Water Resources Control Board to rescind the application of drought emergency conservation regulations to any water supply agency located within Placer County. This Resolution will be submitted as public comment at that public workshop.

FISCAL IMPACT

ATTACHMENTS

Attachment 1:

Attachment 2:

RESOLUTION OF THE _____ BOARD OF SUPERVISORS CONCERNING DROUGHT EMERGENCY CONSERVATION REGULATIONS FROM THE STATE WATER RESOURCES CONTROL BOARD

WHEREAS, on April 1, 2015, Governor Jerry Brown issued Executive Order B-29-15, which required, in part, that the State Water Resources Control Board impose restrictions to achieve a 25% reduction in urban potable water use by February 29, 2016, compared to usage in 2013; and

WHEREAS, on May 5, 2015, the State Water Resources Control Board adopted drought emergency conservation regulations which required urban water suppliers in west Placer County to reduce water use between 28% and 36% in 2015; and

WHEREAS, all urban water suppliers in west Placer County complied with the water conservation regulations thru February 29, 2016, achieving a cumulative regional savings of 32%; and

WHEREAS, the adopted emergency regulations required urban water suppliers in east Placer County to reduce water use in excess of 20% in 2015 and those water suppliers far surpassed this amount; and

WHEREAS, the sources of water supply in east Placer County are not hydrologically connected to distressed water systems in other parts of the state, of which conservation measures were intended to benefit; and

WHEREAS, on November 13, 2015, Governor Brown issued Executive Order B-36-15, which specified, in part, that should drought conditions persist through January, 2016, the State Water Resources Control Board would extend restrictions to achieve statewide reductions in potable water usage through October 31, 2016; and

WHEREAS, on January 22, 2016, the State Water Resources Control Board determined that a state of drought continued to exist and issued a notice of proposed rulemaking to extend the conservation regulations until October 31, 2016; and

WHEREAS, on February 5, 2016, the State Water Resources Control Board adopted an extension of the conservation regulations until October 31, 2016, which, among other changes, provided reductions in conservation requirements for water agencies in warmer and drier parts of the state and for those that had experienced population growth since 2013; and

WHEREAS, as of March 17, 2016, precipitation, snowpack, and reservoir levels were above average, and, in some instances, spilling in the watersheds that Placer County municipalities rely on for water supplies; and

WHEREAS, on March 17, 2016, the Placer County Water Agency submitted comments to the State Water Resources Control Board documenting that drought conditions no longer persist in Placer County, and requesting that conservation regulations be rescinded in the region; and

WHEREAS, on April 20, 2016, the State Water Resources Control Board will conduct a public workshop to assess hydrologic conditions through March and consider whether to take action to modify its conservation regulations at one of the Board meetings in May 2016.

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of Placer County that, due to above average water supply conditions, the lack of drought conditions, and the excellent local planning efforts of water purveyors in Placer County, there is no rationale for the State of California to continue the socially and economically damaging drought regulations promulgated by the State Water Resources Control Board.

BE IT FURTHER RESOLVED that the Board of Supervisors of Placer County requests that the Governor of the State of California immediately amend his April 1, 2015 declaration, that severe drought conditions constitute a state of emergency and justify the imposition of conservation mandates, to apply only to areas of the state that continue to experience water shortages because of either hydrologic or regulatory conditions.

BE IT FURTHER RESOLVED that the Board of Supervisors of Placer County requests that the Governor of the State of California immediately direct the State Water Resources Control Board to rescind the application of drought emergency conservation regulations to all water supply agencies located within Placer County.

BE IT FURTHER RESOLVED that this resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the **County of Placer** Board of Supervisors on this 19th day of April, 2016.

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

, Chair

County of Placer Board of Supervisors

ATTEST:

, Clerk of the Board of Supervisors

County of Placer, State of California

RWA

Meeting was March 10, 2016

Budget

- Passed the 2016-2017 YR Budget which includes the IRWMP program as a core activity of RWA since 2015
- In next year's budget there will be specific increased expenses. RWA's lease renewal is coming up in year 2018 and while RWA staff is negotiating a lease rate the new owner's rate will be higher. There may be discussions about relocating the office if the rate is too high.
- It's time for a compensation study as the last survey was November 2012
- RWA is planning on making the \$225K payment for the unfunded pension liability allocated by CalPERS in Fy16. SGA's portion is approx \$87,600 or 39%.
- 11% general fee increase is proposed. SGA service fees represent 50% sharable costs according to the Administrative Services Agreement and excludes the Water Efficiency Program staffing, the water policy advisor, and the retired annuitants for RWA and SGA

Regional Reliability Plan RFQ

- After reviewing the RFQ's for the Regional Reliability Plan MWH had the strongest overall qualification. Every member agency will be invited to participate on the project committee. There is a \$200K Grant from DWR and \$50K in the IRWP program. Costs are expected between \$250-\$400K.
-

Legislative Update

- Deadline for introduction of bills in the Ca State Senate and Assembly was February 19, 2016.
- Staff is compiling and reviewing bills of interest to RWA members and will discuss legislation within the Lobbyist Subscription Program.
- Staff will develop recommended position on specific bills and present them to Exec. Committee on March 23, 2015 for adoption.
- Positions will be consistent with Policy Principles approved by the full board.

Water Efficiency Program

- Depending on the State Water Board's Interpretations of water supply conditions in April/May 2016, messaging about the state and region's drought status may be modified.
- Should conservations targets be the same or slightly decreased a call to action will support the general theme of "rethinking your yard" and will include, limit landscaping watering following your water provider's guidelines, prioritizing your landscape by putting trees first, check sprinkler systems for efficiency and upgrade your landscape with low water use plants.
- When and if the drought tapers off, the committee supports transitioning drought messaging to longer term messaging about efficient water use both indoors and outdoors.
- There are adequate funds for the outreach program through October 2016.